

DRAFT ANNUAL BUDGET OF UMNGENI MUNICIPALITY



2017/18 TO 2019/20 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	MBRR	Municipal Budget & Reporting Regulations
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CFO	Chief Financial Officer	MFMA	Municipal Financial Management Act
CM	Municipality Manager	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental Organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GDP	Gross Domestic Product	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Plan	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kl	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget
kWh	kilowatt hour		
l	litre		
LED	Local Economic Development		Implementation Plan
M	Mayor	SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

SPEECH BY THE MAYOR OF uMNGENI MUNICIPALITY

**CLLR R. S. SOKHELA PRESENTED TO THE MUNICIPAL COUNCIL THE 2017/2018, 2018/2019
AND 2019/2020 DRAFT ANNUAL BUDGET IN THE COUNCIL CHAMBERS, HOWICK,**

ON FRIDAY 31 MARCH 2017

1.2 Council Resolutions

On 31 March 2017 the Council of UMngeni Municipality Local Municipality met in the Council Chambers of uMngeni Municipality to consider the draft annual budget of the municipality for the financial year 2017/18. The Council approved and adopted the following resolutions:

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the draft annual budget of uMngeni Municipality for the financial year 2017/2018 and indicative allocations for the two projected outer years 2018/2019 and 2019/2020, and the multi-year and single year capital appropriations are approved as set out in the following tables:

1.1 Budgeted Financial Performance (revenue & expenditure by standard classification)

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)

1.3 Budgeted Financial Performance (revenue by source and expenditure by type)

1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables

2.1 Budgeted Financial Position

2.2 Budgeted Cash Flows

2.3 Cash backed reserves and accumulated surplus reconciliation

2.4 Asset Management

2.5 Basic service delivery measurement

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the draft tariffs for the supply of electricity, refuse removal and all other tariffs as set out in Other Supporting Documents be approved.
4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the draft rates policy be approved
5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various draft budget-related policies be approved.
6. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the draft rate randage and conditions as set out in Other Supporting Documents be approved.
7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for draft capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved.
8. That the Basic Services Package of Electricity and Refuse Removal as set out in the Draft Tariff Policy be approved.
9. That the salaries, wages and allowances of all employees must be increased as per Salary and Wage Collective Agreement.
10. Approved in accordance with the gazette on the Remuneration of Public Officer Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published on 21 December 2016 by the Department of Cooperative Governance.

BUDGET PRINCIPLES AND GUIDELINES IN TERMS OF NATIONAL TREASURY'S

CIRCULARS

The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:

- The 2016/2017 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2017/18 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore they must ensure that efficiency gains, eradication of non-priority spending (cost containment measures and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure. These economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue.

The following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2017/18 MTREF

	Adjustment Budget	Budget Year	Budget Year	Budget Year
Details	2016/2017	2017/2018	2018/2019	2019/2020
Total Operating Revenue	382 209 835	404 253 227	469 296 130	489 409 443
Total Operating Expenditure	382 056 878	403 897 690	467 192 936	486 221 052
Surplus/ (Deficit)	152 957	355 537	2 103 194	3 188 391
Total Capital Expenditure	40 079 169	25 295 771	21 335 571	22 641 432

Total operating revenue has increased by 16.5 per cent or R 22.0 million for the 2017/2018 financial year when compared to the 2016/2017 Adjustments Budget. For the two outer years, operational revenue will increase by 11.5 per cent or R 43.9 million and 16.1 per cent or R61.4, 3 million respectively.

Total operating expenditure for the 2017/2018 financial year has been appropriated at R 403.9 million and translates into a budgeted surplus of R 356 thousand. When compared to the 2016/17 Adjustments Budget, operational expenditure has increased by R 21.8 million or 5.7 per cent in the 2017/2018 budget and increased to 11.0 and increases to 15.3 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years is R 2.1 million and R3.2 million respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R 18.6 million for 2017/2018 is R13.6 million less when compared to the 2016/2017 Adjustment Budget. The major decrease is due to the Provincial Grant Rollover that was for Mandela Capture Site in the 2016/2017 Adjustments Budget. Capital projects funded through the Municipal Infrastructure Grant. The Municipality has reached its prudential borrowing limits and so there is very little scope to substantially increase these borrowing levels over the medium-term.

1.3 Operating Revenue Framework

For uMngeni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;

- Efficient revenue management, which aims to ensure 90 per cent annual collection rate for property rates and other key service charges, the collection rate for the outer years is 92 percent.
- Electricity tariff increases as per Consultation Paper issued by the National Energy Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2017/2018 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN222 uMngeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Table A: Budgeted material performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	111 632	119 499	154 860	176 512	173 993	173 993	173 993	184 606	195 498	206 837
Service charges - electricity revenue	2	51 842	52 718	56 672	76 884	76 884	76 884	76 884	78 576	80 305	82 071
Service charges - water revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	2	4 619	5 049	5 815	5 512	5 512	5 512	5 512	5 848	5 837	6 176
Service charges - other		—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		728	844	701	719	716	716	716	763	762	806
Interest earned - external investments		1 849	2 741	3 634	3 725	2 761	2 761	2 761	2 929	3 102	3 282
Interest earned - outstanding debtors		1 675	1 655	1 715	1 960	1 960	1 960	1 960	2 079	2 202	2 330
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		30 241	28 238	16 444	30 571	48 257	48 257	48 257	52 756	55 868	59 109
Licences and permits		2 045	2 655	3 206	3 439	3 439	3 439	3 439	3 649	3 865	4 089
Agency services		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		48 265	47 728	53 692	61 469	61 817	61 817	61 817	65 481	70 550	70 427
Other revenue	2	4 647	9 665	3 703	7 372	6 871	6 871	6 871	7 565	8 084	8 553
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		257 542	270 793	300 442	368 164	382 210	382 210	382 210	404 253	426 073	443 679

Table 3 Percentage growth in revenue by main revenue source

Description		2017/18 Medium Term Revenue & Expenditure Framework			
R thousand	Pre-audit outcome	Budget Year 2017/18	Percentage	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Revenue By Source</u>					
Property rates	173,993	184,606	6.1%	195,498	206,837
Service charges - electricity revenue	76,884	78,576	2.2%	80,305	82,071
Service charges - water revenue	–	–		–	–
Service charges - sanitation revenue	–	–		–	–

Service charges - refuse revenue	5,512	5,848	6.1%	5,837	6,176
Service charges - other	–	–		–	–
Rental of facilities and equipment	716	763	6.4%	762	806
Interest earned - external investments	2,761	2,929	6.1%	3,102	3,282
Interest earned - outstanding debtors	1,960	2,079	6.1%	2,202	2,330
Dividends received	–	–		–	–
Licences and permits	3,439	3,649	6.1%	3,865	4,089
Agency services	–	–		–	–
Transfers and subsidies	61,817	65,481	5.9%	70,550	70,427
Gains on disposal of PPE	–	–		–	–

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2016/2017 financial year (adjusted budget), revenue from rates and services charges totalled R 256,4 million. This increases to R269,0 million, R 281.6 million and R295.1 million in the respective financial years of the MTREF. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates are the largest revenue source totalling 45.7 per cent or R184.6 million and increases to R195.5 million by 2018/2019. The second largest source is user charges for services which consists of sale of electricity and refuse removal charges at 20.8 per cent. Other own revenues are the third largest revenue source totalling 16.5 per cent ,operational grant at 16.1 per cent and remains at 0.9 per cent in 2017/2018.

Table 4 Operating Transfers and Grant Receipts

KZN222 uMngeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		43 831	44 911	50 028	58 268	53 371	58 268	62 148	67 044	66 756
Local Government Equitable Share		37 208	40 229	44 316	44 429	44 429	44 429	49 902	55 318	59 803
Municipal Systems Improvement		966	1 315	930	-	-	-	-	-	-
Finance Management		2 673	1 977	1 600	1 625	1 625	1 625	1 700	1 955	1 955
EPWP Incentive		2 984	972	1 466	1 317	1 317	1 317	1 000	-	-
Integrated National Electrification Programme		-	418	1 715	6 000	6 000	6 000	5 000	5 000	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	4 897	-	4 897	4 546	4 771	4 998
Provincial Government:		4 434	2 913	3 664	3 201	3 201	3 201	3 333	3 506	3 671
KZN Library		2 672	2 752	2 976	2 668	2 668	2 668	2 774	2 919	3 065
KZN Museum		284	161	656	175	175	175	183	193	202
Cleanest Town		1 320	-	1	-	-	-	-	-	-
Data Cleansing		158	-	25	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	7	358	358	358	376	394	404
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	48 265	47 824	53 692	61 469	56 572	61 469	65 481	70 550	70 427
Capital Transfers and Grants										
National Government:		19 487	21 415	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Municipal Infrastructure Grant (MIG)		18 912	21 415	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Dept. of Energy - NATIONAL GRANT		575	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		8 641	32 312	10 588	-	10 059	10 059	-	-	-
Mandela Capture site and Cedara College		8 641	32 312	10 588	-	10 059	10 059	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	28 128	53 727	17 440	21 866	31 925	31 925	18 289	19 423	20 619
TOTAL RECEIPTS OF TRANSFERS & GRANTS		76 393	101 551	71 132	83 335	88 497	93 394	83 770	89 973	91 046

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6,4 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No.85 and 86 deals, inter alia, with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R105 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 30 per cent rebate will be granted on all residential properties;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 60 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed R9000 per month. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Council in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2017/2018 financial year based on the proposed rate randage of 1.43 cents in the Rand from 1 July 2017 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2017/2018 financial year

Category	Category	Current Tariff (1 July 2016)	Proposed Tariff (1 July 2017)	Proposed Rebates (from 1 July 2017)
		C	C	%
Residential	1	1.35 c/R	1.43c/R	30%
Industrial	2	1.35 c/R	1.43c/R	0%
Business & Commercial	3	1.35 c/R	1.43c/R	0%
Rural- Agriculture	4	1.35 c/R	1.43c/R	82.5%
Rural – Commercial	5	1.35 c/R	1.43c/R	30%
Rural-Residential	6	1.35 c/R	1.43c/R	30%
State Owned Properties	7	1.35c/R	1.43c/R	30%
Municipal Properties	8	1.35 c/R	1.43c/R	100%
Public Service Infrastructure (Roads)	9	1.35 c/R	1.43c/R	As per the new MPRA act
Public Service Infrastructure (Other)	10	1.35 c/R	1.43c/R	As per the new MPRA act
Private Towns	11	1.35 c/R	1.43c/R	0%
Informal Settlements	12	1.35 c/R	1.43c/R	30%
Mining & Quarries	13	1.35 c/R	1.43c/R	20%
Vacant Land	14	1.35c/R	1.43c/R	0%
Protected Areas	15	1.35c/R	1.43c/R	100%
National Monuments	16	1.35 c/R	1.43c/R	100%
Multi-Purpose	17	1.35 c/R	1.43c/R	0%
Bulk Development Land	18	1.35 c/R	1.43c/R	40%

1.3.2 Sale of Electricity and Impact of Tariff Increases

On the 23rd February 2017, the National Energy Regulator of South (NERSA) granted Eskom an annual average increase of 2.2 percent.

This is significantly lower than the 8 per cent tariff increase provided for in the current Multi-Year Price Determination as a result of higher increases approved in preceding years (9.4 per cent for 2016/17 and 2.2 per cent for 2017/18).

The municipal tariff guideline increase is developed based on Eskom's approved bulk price increase of electricity to municipalities and the increase on the municipalities' cost structures. Hence the approval of the municipal guideline increase is subsequent to the determination of Eskom's Retail Tariff Structural Adjustments (ERSTA). The benchmarks are developed in order to ensure that tariffs across municipalities are not vastly different and are used in the evaluation of the municipal tariff applications.

Registered indigents will again be granted 100 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption	Current Tariffs	Proposed Tariffs	Percentage Increase
kWh	Payable	Payable	Increase
1-50 kWh	85c/kWh	87c/kWh	2.2%
51-350 kWh	108c/kWh	110c/kWh	2.2%
351-600 kWh	145c/kWh	148c/kWh	2.2%
601kWh and above	172c/kWh	176c/kWh	2.2%

Section 42 of the MFMA requires that bulk price increases charged to municipalities by an organ of state must be tabled by 15 March if they are to be affected as from 1 July of the same year, unless the Minister of Finance grants an extension. The Minister of Finance, at the request of the Minister of Public Enterprises, has granted an extension until 5 April for the tabling of Eskom's 2017/18 bulk prices for municipalities.

1.3.3 Waste Removal and Impact of Tariff Increases

It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

A 6,1 per cent increase in the waste removal tariff is proposed from 1 July 2017.

The following table compares current and proposed amounts payable from 1 July 2017:

Table 7 Comparison between current waste removal fees and increases

Type of Consumer	Description	Current Tariffs	Proposed Tariffs
		2015/2016	2016/2017
Domestic Consumers	Consumers /Ratepayers with total market value per property up to R200 000	Free	Free
Commercial / Consumers	Consumer/Ratepayers with property values in excess of R200 000	R 61.19 per month	R 64.92 per month
	One Collection per week per 120 litre bin	R 114.26 per month	R 121.23 per month
Government	One Collection per week per 120 litre bin	R 101.57 per month	R107.77 per month

1.3.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6,1 to 6,4 percent, with the increase for indigent households closer to 6,1per cent. Electricity increases however impacts on the total household bill.

Table 8 MBRR Table SA14 – Household bills

KZN222 uMngeni - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		5 748,27	7 027,29	5 422,90	5 124,00	5 748,27	6 093,17	6,1%	6 093,17	6 434,96	6 742,00
Electricity: Basic levy		89,32	109,69	84,27	84,59	89,66	90,23	6,1%	94,50	106,56	118,45
Electricity: Consumption		959,30	1 184,17	905,00	811,96	860,68	880,78	6,1%	901,62	1 000,96	1 102,89
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		48,12	57,53	45,40	45,40	45,37	45,80	6,1%	50,98	53,83	56,84
Other		–	–	–	–	–	–	–	–	–	–
sub-total		6 845,01	8 378,68	6 457,57	6 065,95	6 743,98	7 109,98	17,7%	7 140,27	7 596,31	8 020,18
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total large household bill:		6 845,01	8 378,68	6 457,57	6 065,95	6 743,98	7 109,98	17,7%	7 140,27	7 596,31	8 020,18
% increase/-decrease			22,4%	(22,9%)	(6,1%)	11,2%	5,4%		0,4%	6,4%	5,6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		5 748,27	5 939,78	5 812,00	7 027,29	7 027,29	7 027,29	6,1%	3 802,01	4 018,07	4 218,97
Electricity: Basic levy		89,32	135,18	91,36	109,69	109,69	109,69	6,1%	94,50	106,56	118,45
Electricity: Consumption		959,30	542,68	986,37	1 184,17	1 184,17	1 184,17	6,1%	436,01	484,10	537,50
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		48,12	69,29	50,45	57,53	57,53	57,53	6,1%	52,55	55,18	57,94
Other		–	–	–	–	–	–	–	–	–	–
sub-total		6 845,01	6 686,94	6 940,18	8 378,68	8 378,68	8 378,68	(47,7%)	4 385,07	4 663,91	4 932,86
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		6 845,01	6 686,94	6 940,18	8 378,68	8 378,68	8 378,68	(47,7%)	4 385,07	4 663,91	4 932,86
% increase/-decrease			(2,3%)	3,8%	20,7%	–	–		(47,7%)	6,4%	5,8%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		3 476,55	3 644,87	3 900,65	3 586,80	3 586,80	3 586,80	6,0%	3 802,01	4 018,07	4 218,97
Electricity: Basic levy		151,50	79,80	84,27	84,59	90,23	90,23	11,7%	94,50	106,56	118,45
Electricity: Consumption		206,17	373,80	379,00	397,95	397,95	397,95	9,6%	436,01	484,10	537,50
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		40,00	42,80	45,40	47,67	47,67	47,67	10,2%	52,55	55,18	57,94
Other		–	–	–	–	–	–	–	–	–	–
sub-total		3 874,22	4 141,27	4 409,32	4 117,01	4 122,65	4 122,65	6,5%	4 385,07	4 663,91	4 932,86
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		3 874,22	4 141,27	4 409,32	4 117,01	4 122,65	4 122,65	6,5%	4 385,07	4 663,91	4 932,86
% increase/-decrease			6,9%	6,5%	(6,6%)	0,1%	–		6,4%	6,4%	5,8%

Operating Expenditure Framework

The Municipality's expenditure framework for the 2017/2018 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

<u>Expenditure By Type</u>											
Employee related costs	2	65 979	83 397	87 437	102 239	98 577	98 577	98 577	111 876	118 710	126 989
Remuneration of councillors		5 745	6 119	7 237	7 446	7 446	7 446	7 446	7 901	8 367	8 852
Debt impairment	3	21 462	22 033	25 991	22 878	31 428	31 428	31 428	33 346	35 314	37 363
Depreciation & asset impairment	2	37 598	41 825	42 805	28 974	28 974	28 974	28 974	30 741	32 555	34 443
Finance charges		4 297	4 303	3 442	5 127	5 127	5 127	5 127	5 409	5 728	6 060
Bulk purchases	2	65 893	72 286	83 792	95 404	103 404	103 404	103 404	107 273	109 633	112 045
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		1 950	3 110	13 469	13 929	13 929	13 929	13 929	14 778	15 650	16 558
Transfers and subsidies		-	-	-	3 516	3 516	3 516	3 516	3 730	3 951	4 180
Other expenditure	4, 5	80 311	66 422	76 233	88 142	89 655	89 655	89 655	88 844	94 060	93 999
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		283 234	299 494	340 404	367 656	382 057	382 057	382 057	403 898	423 968	440 489

The budgeted allocation for employee related costs for the 2017/2018 financial year totals R111.9 million, which equals 28 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.1 per cent for the 2017/2018 financial year. An annual increase of 7.1 per cent has been included in the two outer years of the MTREF. Included in this amount is the provision for job evaluation of R2 million.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 30.7 million for the 2017/2018 financial and equates to 7.6 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.3 per cent (R5, 4 million) of operating expenditure excluding annual redemption for 2017/2018 and increases to R 5, 7 million in 2018/19. As previously noted, the Municipality has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it is kept close to 6.1 per cent over the MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2017/2018 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2017/18 financial year, this group of expenditure totals R14.8 million. For the two outer years growth has been limited to R 15, 7 and R16, 6 million respectively. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2017/2018 financial year to identify alternative

practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 0.01 per cent for 2017/2018, indicating that significant cost savings have been already realised.

1.3.5 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/2018 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 9 Operational repairs and maintenance

During the compilation of the 2017/2018 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was increased by R23.6 million in the 2017/2018 financial year, from R20.6 million in the 2016/17 financial year.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

KZN222 uMngeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

R thousand	Description	Ref 1	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Subclass											
Infrastructure			—	6 100	16 868	10 594	15 294	15 294	13 227	14 013	14 826
Roads Infrastructure			—	3 940	13 367	7 851	12 351	12 351	10 104	10 701	11 321
Roads			—	3 940	13 367	7 851	12 351	12 351	10 104	10 701	11 321
Road Structures			—	—	—	—	—	—	—	—	—
Road Furniture			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Storm water Infrastructure			—	—	—	157	157	157	167	177	187
Drainage Collection			—	—	—	157	157	157	167	177	187
Storm water Conveyance			—	—	—	—	—	—	—	—	—
Attenuation			—	2 160	3 492	2 586	2 786	2 786	2 955	3 136	3 318
Electrical Infrastructure			—	—	—	—	—	—	—	—	—
Power Plants			—	—	—	—	—	—	—	—	—
HV Substations			—	—	—	—	—	—	—	—	—
HV Switching Station			—	—	—	—	—	—	—	—	—
HV Transmission Conductors			—	—	—	—	—	—	—	—	—
MV Substations			—	2 160	3 492	2 586	2 786	2 786	2 955	3 136	3 318
MV Switching Stations			—	—	—	—	—	—	—	—	—
MV Networks			—	—	—	—	—	—	—	—	—
LV Networks			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Water Supply Infrastructure			—	—	—	—	—	—	—	—	—
Dams and Weirs			—	—	—	—	—	—	—	—	—
Boreholes			—	—	—	—	—	—	—	—	—
Reservoirs			—	—	—	—	—	—	—	—	—
Pump Stations			—	—	—	—	—	—	—	—	—
Water Treatment Works			—	—	—	—	—	—	—	—	—
Bulk Mains			—	—	—	—	—	—	—	—	—
Distribution			—	—	—	—	—	—	—	—	—
Distribution Points			—	—	—	—	—	—	—	—	—
PRV Stations			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Sanitation Infrastructure			—	—	—	—	—	—	—	—	—
Pump Station			—	—	—	—	—	—	—	—	—
Reticulation			—	—	—	—	—	—	—	—	—
Waste Water Treatment Works			—	—	—	—	—	—	—	—	—
Outfall Sewers			—	—	—	—	—	—	—	—	—
Toilet Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure			—	—	—	—	—	—	—	—	—
Landfill Sites			—	—	—	—	—	—	—	—	—
Waste Transfer Stations			—	—	—	—	—	—	—	—	—
Waste Processing Facilities			—	—	—	—	—	—	—	—	—
Waste Drop-off Points			—	—	—	—	—	—	—	—	—
Waste Separation Facilities			—	—	—	—	—	—	—	—	—
Electricity Generation Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Rail Infrastructure			—	—	—	—	—	—	—	—	—
Rail Lines			—	—	—	—	—	—	—	—	—
Rail Structures			—	—	—	—	—	—	—	—	—
Rail Furniture			—	—	—	—	—	—	—	—	—
Drainage Collection			—	—	—	—	—	—	—	—	—
Storm water Conveyance			—	—	—	—	—	—	—	—	—
Attenuation			—	—	—	—	—	—	—	—	—
MV Substations			—	—	—	—	—	—	—	—	—
LV Networks			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Coastal Infrastructure			—	—	—	—	—	—	—	—	—
Sand Pumps			—	—	—	—	—	—	—	—	—
Piers			—	—	—	—	—	—	—	—	—
Revetments			—	—	—	—	—	—	—	—	—
Promenades			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure			—	—	—	—	—	—	—	—	—
Data Centres			—	—	—	—	—	—	—	—	—
Core Layers			—	—	—	—	—	—	—	—	—
Distribution Layers			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Community Assets			—	683	1 899	3 188	1 587	1 587	2 565	2 716	2 874
Community Facilities			—	376	1 586	2 373	772	772	1 700	1 800	1 904
Halls			—	107	1 391	1 706	105	105	1 000	1 059	1 121
Centres			—	—	—	—	—	—	—	—	—
Crèches			—	—	—	—	—	—	—	—	—
Clinics/Care Centres			—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations			—	—	—	—	—	—	—	—	—
Testing Stations			—	—	—	—	—	—	—	—	—
Museums			—	—	—	—	—	—	—	—	—
Galleries			—	—	—	—	—	—	—	—	—
Theatres			—	—	—	—	—	—	—	—	—
Libraries			—	269	165	414	414	414	432	457	484
Cemeteries/Crematoria			—	—	27	—	—	—	—	—	—
Police			—	—	3	262	262	262	268	284	300
Parks			—	—	—	—	—	—	—	—	—
Public Open Space			—	—	—	—	—	—	—	—	—
Nature Reserves			—	—	—	—	—	—	—	—	—
Public Abolition Facilities			—	—	—	—	—	—	—	—	—
Markets			—	—	—	—	—	—	—	—	—
Stalls			—	—	—	—	—	—	—	—	—
Abattoirs			—	—	—	—	—	—	—	—	—
Airports			—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities			—	307	313	815	815	815	865	916	969
Indoor Facilities			—	—	—	—	—	—	—	—	—
Outdoor Facilities			—	307	313	815	815	815	865	916	969
Capital Spares			—	—	—	—	—	—	—	—	—
Heritage assets			—	—	—	—	—	—	—	—	—
Monuments			—	—	—	—	—	—	—	—	—
Historic Buildings			—	—	—	—	—	—	—	—	—
Works of Art			—	—	—	—	—	—	—	—	—
Conservation Areas			—	—	—	—	—	—	—	—	—
Other Heritage			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Revenue Generating			—	—	—	—	—	—	—	—	—
Improved Property			—	—	—	—	—	—	—	—	—
Unimproved Property			—	—	—	—	—	—	—	—	—
Non-revenue Generating			—	—	—	—	—	—	—	—	—
Improved Property			—	—	—	—	—	—	—	—	—
Unimproved Property			—	—	—	—	—	—	—	—	—
Other assets			—	—	—	—	—	—	4 161	4 614	4 881
Operational Buildings			—	—	—	—	—	—	4 161	4 614	4 881
Municipal Offices			—	—	—	—	—	—	4 161	4 614	4 881
Pay/Enquiry Points			—	—	—	—	—	—	—	—	—
Building Plan Offices			—	—	—	—	—	—	—	—	—
Workshops			—	—	—	—	—	—	—	—	—
Yards			—	—	—	—	—	—	—	—	—
Stores			—	—	—	—	—	—	—	—	—
Laboratories			—	—	—	—	—	—	—	—	—
Training Centres			—	—	—	—	—	—	—	—	—
Manufacturing Plant			—	—	—	—	—	—	—	—	—
Depots			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Housing			—	—	—	—	—	—	—	—	—
Staff Housing			—	—	—	—	—	—	—	—	—
Social Housing			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Intangible Assets			—	—	—	—	—	—	—	—	—
Services			—	—	—	—	—	—	—	—	—
Licences and Rights			—	—	—	—	—	—	—	—	—
Water Rights			—	—	—	—	—	—	—	—	—
Effluent Licences			—	—	—	—	—	—	—	—	—
Solid Waste Licences			—	—	—	—	—	—	—	—	—
Computer Software and Applications			—	—	—	—	—	—	—	—	—
Load Settlement Software Applications			—	—	—	—	—	—	—	—	—
Unspecified			—	—	—	—	—	—	—	—	—
Computer Equipment			—	—	—	—	—	—	—	—	—
Computer Equipment			—	—	—	—	—	—	—	—	—
Furniture and Office Equipment			6 333	5 564	3 109	8 079	3 673	3 673	3 641	3 861	4 013
Furniture and Office Equipment			6 333	5 564	3 109	8 079	3 673	3 673	3 641	3 861	4 013
Machinery and Equipment			—	—	—	—	—	—	—	—	—
Machinery and Equipment			—	—	—	—	—	—	—	—	—
Transport Assets			—	—	—	—	—	—	—	—	—
Transport Assets			—	—	—	—	—	—	—	—	—
Libraries			—	—	—	—	—	—	—	—	—
Libraries			—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals			—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals			—	—	—	—	—	—	—	—	—
Total Repairs and Maintenance Expenditure		1	6 333	12 347	21 868	21 861	20 554	20 554	23 593	25 2	

For the 2017/2018 financial year, 56 per cent or R13.2 million of total repairs and maintenance will be spent on infrastructure assets. Community assets have been allocated R2.5 million of total repairs and maintenance equating to 10.9 per cent. This is to comply with the requirements of National Treasury Circulars 85 & 86 to budget for at least 8% of Property, Plant & Equipment for renewal and operational repairs and maintenance of existing asset infrastructure.

1.3.6 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. There is currently plus minus 29127 debtors registered as indigent and the target is to register 600 or more indigent households during the 2017/2018 financial year, a process reviewed every six months.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.4 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 10 2016/17 Medium-term capital budget per vote

KZN222 uMngeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Executive and Council		10 771	2 822	30	175	175	175	175	186	197	208
Vote 2 - Finance		-	-	113	139	214	214	214	148	157	165
Vote 3 - Corporate Services		-	-	180	292	590	590	590	863	914	966
Vote 4 - Planning Services		-	30 814	9 934	114	16 873	16 873	16 873	121	129	136
Vote 5 - Community Services		-	-	791	2 251	2 251	2 251	2 251	257	282	298
Vote 6 - Technical Services		83 096	21 361	7 962	26 176	19 976	19 976	19 976	23 712	19 658	20 868
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 287	21 336	22 641
Total Capital Expenditure - Vote		93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 287	21 336	22 641

For 2017/2018 an amount of R25,3 million has been appropriated for the development of infrastructure which represents 93,8 per cent of the total capital budget. In the outer years this amount totals R19,6 million, or 92.1 per cent and R22, 6million or 92.2 per cent respectively for each of the financial years.

1.5 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/2018 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table A1 - Budget Summary

KZN222 uMngeni - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	111 632	119 499	154 860	176 512	173 993	173 993	173 993	184 606	195 498	206 837
Service charges	56 461	57 768	62 487	82 397	82 397	82 397	82 397	84 424	86 142	88 247
Investment revenue	1 849	2 741	3 634	3 725	2 761	2 761	2 761	2 929	3 102	3 282
Transfers recognised - operational	48 265	47 728	53 692	61 469	61 817	61 817	61 817	65 481	70 550	70 427
Other own revenue	39 335	43 057	25 769	44 061	61 243	61 243	61 243	66 813	70 781	74 886
Total Revenue (excluding capital transfers and contributions)	257 542	270 793	300 442	368 164	382 210	382 210	382 210	404 253	426 073	443 679
Employee costs	65 979	83 397	87 437	102 239	98 577	98 577	98 577	111 876	118 710	126 989
Remuneration of councillors	5 745	6 119	7 237	7 446	7 446	7 446	7 446	7 901	8 367	8 852
Depreciation & asset impairment	37 598	41 825	42 805	28 974	28 974	28 974	28 974	30 741	32 555	34 443
Finance charges	4 297	4 303	3 442	5 127	5 127	5 127	5 127	5 409	5 728	6 060
Materials and bulk purchases	65 893	72 286	83 792	95 404	103 404	103 404	103 404	107 273	109 633	112 045
Transfers and grants	—	—	—	3 516	3 516	3 516	3 516	3 730	3 951	4 180
Other expenditure	103 722	91 564	115 692	124 950	135 012	135 012	135 012	136 968	145 025	147 920
Total Expenditure	283 234	299 494	340 404	367 656	382 057	382 057	382 057	403 898	423 968	440 489
Surplus/(Deficit)	(25 692)	(28 702)	(39 962)	507	153	153	153	356	2 105	3 191
Transfers and subsidies - capital (monetary allocations)	28 128	55 249	17 440	21 866	31 925	31 925	31 925	18 289	19 423	20 619
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	2 436	26 547	(22 522)	22 373	32 078	32 078	32 078	18 645	21 528	23 810
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	2 436	26 547	(22 522)	22 373	32 078	32 078	32 078	18 645	21 528	23 810
Capital expenditure & funds sources										
Capital expenditure	93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 296	21 336	22 641
Transfers recognised - capital	27 571	54 377	6 852	21 866	21 866	21 866	21 866	18 289	19 423	20 619
Public contributions & donations	24	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	66 272	620	12 158	7 282	18 213	18 213	18 213	7 007	1 913	2 022
Total sources of capital funds	93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 296	21 336	22 641
Financial position										
Total current assets	80 352	94 615	105 459	89 630	63 795	63 795	63 795	58 452	60 669	64 587
Total non current assets	786 445	799 617	775 841	789 524	787 225	787 225	787 225	801 628	821 330	841 949
Total current liabilities	50 576	48 778	42 272	29 181	29 446	29 446	29 446	29 715	29 532	29 369
Total non current liabilities	77 475	78 401	82 271	46 119	46 119	46 119	46 119	44 114	42 350	40 652
Community wealth/Equity	738 746	767 053	756 758	803 854	775 456	775 456	775 456	786 250	810 117	836 515
Cash flows										
Net cash from (used) operating	63 835	79 010	27 455	32 096	16 815	16 815	16 815	25 320	28 918	31 918
Net cash from (used) investing	(51 617)	(62 886)	(25 915)	(29 148)	(40 079)	(40 079)	(40 079)	(25 287)	(21 336)	(22 641)
Net cash from (used) financing	(1 268)	(2 524)	(2 847)	(2 623)	(2 540)	(2 540)	(2 540)	(3 387)	(3 452)	(3 521)
Cash/cash equivalents at the year end	8 676	22 276	6 796	25 315	14 031	14 031	14 031	10 677	14 808	20 563
Cash backing/surplus reconciliation										
Cash and investments available	38 474	46 652	39 835	25 315	14 031	14 031	14 031	10 677	14 806	20 558
Application of cash and investments	1 161	(6 437)	(33 250)	(30 671)	(15 414)	(15 414)	(15 414)	(15 410)	(14 057)	(12 756)
Balance - surplus (shortfall)	37 313	53 089	73 084	55 986	29 445	29 445	29 445	26 087	28 863	33 314
Asset management										
Asset register summary (WDV)	781 053	794 225	770 449	784 132	781 833	781 833	796 235	796 235	815 937	836 556
Depreciation	37 598	41 825	42 805	28 974	28 974	28 974	30 741	30 741	32 555	34 443
Renewal of Existing Assets	—	—	—	—	—	—	—	—	—	—
Repairs and Maintenance	6 333	12 347	21 868	21 861	20 554	20 554	23 593	23 593	25 204	26 594
Free services										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	33 598	35 613	46 172	39 765	38 784	38 784	41 150	41 150	43 223	45 730
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN222 uMngeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		181 861	230 379	223 367	254 599	249 964	249 964	263 054	279 413	296 406
Executive and council		112 815	195 694	178 543	223 282	220 885	220 885	233 471	248 908	264 176
Finance and administration		69 046	34 684	44 824	31 317	29 079	29 079	29 583	30 505	32 231
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		3 257	3 337	3 901	5 602	5 491	5 491	3 655	3 847	4 032
Community and social services		3 104	3 165	3 896	3 595	3 488	3 488	3 648	3 839	4 024
Sport and recreation		153	172	5	2 007	2 003	2 003	8	8	9
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		26 820	24 951	12 779	28 464	58 038	58 038	50 545	53 527	56 632
Planning and development		541	629	471	1 030	13 007	13 007	3 128	3 312	3 504
Road transport		26 280	24 322	12 307	27 434	45 031	45 031	47 417	50 215	53 127
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		73 732	67 375	77 836	101 365	100 642	100 642	105 288	108 708	107 228
Energy sources		59 281	56 907	65 816	88 947	88 224	88 224	92 453	95 126	92 679
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		14 451	10 468	12 019	12 418	12 418	12 418	12 835	13 582	14 548
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	285 670	326 042	317 882	390 030	414 135	414 135	422 542	445 496	464 298
Expenditure - Functional										
<i>Governance and administration</i>		101 548	129 500	152 814	142 297	135 451	135 451	144 369	152 780	162 124
Executive and council		56 543	38 005	52 716	42 856	39 122	39 122	43 492	46 141	48 914
Finance and administration		44 476	90 374	98 914	98 016	95 014	95 014	99 243	104 889	111 337
Internal audit		529	1 120	1 183	1 426	1 316	1 316	1 634	1 749	1 872
<i>Community and public safety</i>		41 958	16 729	17 163	21 885	18 787	18 787	22 733	24 223	25 789
Community and social services		6 040	6 749	9 006	11 190	8 572	8 572	10 619	11 270	11 942
Sport and recreation		8 411	8 864	7 349	8 436	9 174	9 174	9 814	10 495	11 223
Public safety		—	—	—	—	—	—	—	—	—
Housing		27 508	1 117	808	2 258	1 040	1 040	2 300	2 457	2 625
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		40 554	49 382	45 827	53 991	68 317	68 317	71 435	75 926	80 675
Planning and development		8 902	11 758	10 130	10 232	11 911	11 911	13 065	13 941	14 896
Road transport		31 652	37 624	35 697	43 759	56 406	56 406	58 370	61 985	65 779
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		99 170	103 878	124 596	149 477	159 496	159 496	165 354	171 032	171 894
Energy sources		80 456	80 391	101 871	122 042	131 220	131 220	135 258	138 989	137 814
Water management		—	—	—	—	—	—	—	—	—
Waste water management		2 740	3 006	2 279	2 719	2 702	2 702	2 893	3 093	3 306
Waste management		15 974	20 481	20 446	24 716	25 574	25 574	27 203	28 950	30 774
<i>Other</i>	4	5	5	5	6	6	6	6	7	7
Total Expenditure - Functional	3	283 234	299 494	340 404	367 656	382 057	382 057	403 898	423 968	440 489
Surplus/(Deficit) for the year		2 436	26 547	(22 522)	22 373	32 078	32 078	18 645	21 528	23 810

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for the Electricity function, but not the Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN222 uMngeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A6 Budgeted financial performance (revenue and expenditure) by municipal vote										
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Executive and Council		112 815	195 694	178 543	223 282	220 885	220 885	235 387	250 937	266 322
Vote 2 - Finance		34 542	28 601	23 281	6 564	5 142	5 142	5 432	5 980	6 213
Vote 3 - Corporate Services		1 023	3 026	959	1 233	1 126	1 126	1 194	1 219	1 289
Vote 4 - Planning Services		541	629	471	1 030	13 007	13 007	3 128	3 312	3 504
Vote 5 - Community Services		29 434	27 435	15 965	32 667	50 277	50 277	50 793	53 766	56 846
Vote 6 - Technical Services		79 048	70 655	98 662	125 254	123 698	123 698	126 609	130 283	130 124
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	257 403	326 042	317 882	390 030	414 135	414 135	422 542	445 496	464 298
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		57 072	39 126	53 899	44 282	40 437	40 437	44 246	46 954	49 791
Vote 2 - Finance		20 162	61 113	63 929	50 256	51 206	51 206	54 668	58 241	61 729
Vote 3 - Corporate Services		14 212	18 079	24 301	32 398	30 189	30 189	32 532	34 829	36 956
Vote 4 - Planning Services		8 907	11 763	10 135	10 238	11 917	11 917	12 743	13 597	14 527
Vote 5 - Community Services		64 238	39 307	31 841	47 387	54 672	54 672	61 333	65 251	69 371
Vote 6 - Technical Services		118 643	130 106	156 300	183 096	193 636	193 636	198 375	205 096	208 114
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	283 234	299 494	340 404	367 656	382 057	382 057	403 898	423 968	440 489
Surplus/(Deficit) for the year	2	(25 831)	26 547	(22 522)	22 373	32 078	32 078	18 645	21 528	23 810

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

Table 14 Surplus/(Deficit) calculations for the trading services

Description	2013/2014	2014/2015	2015/2016	2016/2017			Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/2018	Budget Year +1 2018/2019	Budget Year +2 2019/2020
Electricity									
Total revenue (incl capital grants and transfers)	59 281	56 907	65 816	88 947	88 224	88 224	95 126	92 679	99 316
Operating Expenditure	80 456	80 391	101 871	122 042	131 220	131 220	137 543	136 283	137 507
Surplus/ Deficit for the year	-21 175	-23 484	-36 054	-33 096	-42 996	-42 996	-42 417	-43 604	-38 190
Percentage Surplus	-36%	-41%	-55%	-37%	-49%	-49%	-45%	-47%	-38%

2. The electricity trading deficit is a major concern over the 2017/18 MTREF averaging -45 percent over the MTREF. This is primarily as a result of the high increases in Eskom bulk purchases, distribution losses through tampering, theft, illegal connections and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. Note that the deficit on the electricity account is *cross-subsidise by rates and other municipal services*.

Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN222 uMngeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN222-2016/17-Table A4 Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	111,632	119,499	154,860	176,512	173,993	173,993	173,993	184,606	195,498	206,837
Service charges - electricity revenue	2	51,842	52,718	56,672	76,884	76,884	76,884	76,884	78,576	80,305	82,071
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	4,619	5,049	5,815	5,512	5,512	5,512	5,512	5,848	5,837	6,176
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		728	844	701	719	716	716	716	763	762	806
Interest earned - external investments		1,849	2,741	3,634	3,725	2,761	2,761	2,761	2,929	3,102	3,282
Interest earned - outstanding debtors		1,675	1,655	1,715	1,960	1,960	1,960	1,960	2,079	2,202	2,330
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30,241	28,238	16,444	30,571	48,257	48,257	48,257	52,756	55,868	59,109
Licences and permits		2,045	2,655	3,206	3,439	3,439	3,439	3,439	3,649	3,865	4,089
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		48,265	47,728	53,692	61,469	61,817	61,817	61,817	65,481	70,550	70,427
Other revenue	2	4,647	9,665	3,703	7,372	6,871	6,871	6,871	7,565	8,084	8,553
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		257,542	270,793	300,442	368,164	382,210	382,210	382,210	404,253	426,073	443,679
Expenditure By Type											
Employee related costs	2	65,979	83,397	87,437	102,239	98,577	98,577	98,577	111,876	118,710	126,989
Remuneration of councillors		5,745	6,119	7,237	7,446	7,446	7,446	7,446	7,901	8,367	8,852
Debt impairment	3	21,462	22,033	25,991	22,878	31,428	31,428	31,428	33,346	35,314	37,363
Depreciation & asset impairment	2	37,598	41,825	42,805	28,974	28,974	28,974	28,974	30,741	32,555	34,443
Finance charges		4,297	4,303	3,442	5,127	5,127	5,127	5,127	5,409	5,728	6,060
Bulk purchases	2	65,893	72,286	83,792	95,404	103,404	103,404	103,404	107,273	109,633	112,045
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		1,950	3,110	13,469	13,929	13,929	13,929	13,929	14,778	15,650	16,558
Transfers and subsidies		-	-	-	3,516	3,516	3,516	3,516	3,730	3,951	4,180
Other expenditure	4, 5	80,311	66,422	76,233	88,142	89,655	89,655	89,655	88,844	94,060	93,999
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		283,234	299,494	340,404	367,656	382,057	382,057	382,057	403,898	423,968	440,489
Surplus/(Deficit)		(25,692)	(28,702)	(39,962)	507	153	153	153	356	2,105	3,191
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		28,128	55,249	17,440	21,866	31,925	31,925	31,925	18,289	19,423	20,619
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		2,436	26,547	(22,522)	22,373	32,078	32,078	32,078	18,645	21,528	23,810
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		2,436	26,547	(22,522)	22,373	32,078	32,078	32,078	18,645	21,528	23,810
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		2,436	26,547	(22,522)	22,373	32,078	32,078	32,078	18,645	21,528	23,810
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		2,436	26,547	(22,522)	22,373	32,078	32,078	32,078	18,645	21,528	23,810

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 404.3 million in 2017/2018 and escalates to R 426.1 million by 2018/2019. This represents a year-on-year increase of 6 per cent for the 2017/2018 financial year and an increase of 5.3 per cent for the 2018/2019 financial year.
2. Revenue to be generated from property rates is R184.6 million in the 2017/2018 financial year which represents 45,7 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity and refuse removal contributes to the revenue basket of the Municipality totalling R84.4 million for the 2017/2018 financial year and increasing to R86.1 million by 2018/2019. For the 2017/2018 financial year services charges amount to 21 per cent of the total revenue base
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Bulk purchases in 2017/2018 - 2019/2020 financial years have escalated from R 107.3 million to R112.0 million.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN222 uMngeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		10 771	2 822	30	175	175	175	175	186	197	208
Vote 2 - Finance		-	-	113	139	214	214	214	148	157	165
Vote 3 - Corporate Services		-	-	180	292	590	590	590	863	914	966
Vote 4 - Planning Services		-	30 814	9 934	114	16 873	16 873	16 873	121	129	136
Vote 5 - Community Services		-	-	791	2 251	2 251	2 251	2 251	257	282	298
Vote 6 - Technical Services		83 096	21 361	7 962	26 176	19 976	19 976	19 976	23 712	19 658	20 868
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 287	21 336	22 641
Total Capital Expenditure - Vote		93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 287	21 336	22 641
Capital Expenditure - Functional											
Governance and administration		10 771	2 822	143	314	389	389	389	333	353	373
Executive and council		10 771	2 822	30	175	175	175	175	186	197	208
Finance and administration		-	-	113	139	214	214	214	148	157	165
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	791	2 251	2 251	2 251	2 251	257	282	298
Community and social services		-	-	-	251	251	251	251	257	282	298
Sport and recreation		-	-	791	2 000	2 000	2 000	2 000	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		82 615	50 740	16 691	19 980	36 739	36 739	36 739	18 410	19 552	20 755
Planning and development		-	30 814	9 934	114	16 873	16 873	16 873	121	129	136
Road transport		82 615	19 926	6 757	19 866	19 866	19 866	19 866	18 289	19 423	20 619
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		481	1 435	-	3 000	-	-	-	3 600	-	-
Energy sources		-	815	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		481	620	-	3 000	-	-	-	3 600	-	-
Other		-	-	1 386	3 602	700	700	700	2 686	1 149	1 216
Total Capital Expenditure - Functional	3	93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 287	21 336	22 641
Funded by:											
National Government		18 912	22 912	6 852	21 866	21 866	21 866	21 866	18 289	19 423	20 619
Provincial Government		8 659	31 465	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	27 571	54 377	6 852	21 866	21 866	21 866	21 866	18 289	19 423	20 619
Public contributions & donations	5	24	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		66 272	620	12 158	7 282	18 213	18 213	18 213	6 998	1 913	2 022
Total Capital Funding	7	93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 287	21 336	22 641

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R25,3 million for the 2017/2018 financial year and increases over the MTREF at levels of R21,3 million and R22, 6 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of trucks and specialized tools and equipment. The capital programme is funded from capital grants and contributions from the capital replacement reserve. For 2017/2018, capital transfers totals R18.2 million (72 per cent), R21, 5 million by 2018/2019 (100 per cent) and R23,8 million by 2019/2020(100 per cent). Internally generated funding totaling R7,0 million in 2017/2018.

Table 17 MBRR Table A6 - Budgeted Financial Position

KZN222 uMngeni - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash		8 676	8 103	6 796	7 155	2 950	2 950	2 950	2 255	3 522	3 985
Call investment deposits	1	29 798	38 548	33 038	18 160	11 081	11 081	11 081	8 423	11 284	16 574
Consumer debtors	1	32 515	31 354	45 656	64 315	49 765	49 765	49 765	47 774	45 863	44 029
Other debtors		9 362	16 610	19 968	—	—	—	—	—	—	—
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	—	—	—	—	—	—	—	—	—	—
Total current assets		80 352	94 615	105 459	89 630	63 795	63 795	63 795	58 452	60 669	64 587
Non current assets											
Long-term receivables		—	—	—	—	—	—	—	—	—	—
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		5 523	5 323	5 057	5 323	5 323	5 323	5 323	5 057	5 323	5 323
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	775 394	788 876	765 379	778 784	776 485	776 485	776 485	790 666	810 089	830 708
Agricultural		—	—	—	—	—	—	—	—	—	—
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		135	25	12	25	25	25	25	512	525	525
Other non-current assets		5 393	5 393	5 393	5 393	5 393	5 393	5 393	5 393	5 393	5 393
Total non current assets		786 445	799 617	775 841	789 524	787 225	787 225	787 225	801 628	821 330	841 949
TOTAL ASSETS		866 797	894 232	881 300	879 154	851 021	851 021	851 021	860 080	881 999	906 536
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	4 234	4 263	3 387	2 805	2 805	2 805	2 805	3 387	3 454	3 524
Consumer deposits		2 277	2 198	2 296	2 132	2 397	2 397	2 397	2 397	—	—
Trade and other payables	4	42 836	41 166	29 025	17 048	17 048	17 048	17 048	16 196	15 710	15 396
Provisions		1 229	1 151	7 564	7 196	7 196	7 196	7 196	7 735	7 967	8 047
Total current liabilities		50 576	48 778	42 272	29 181	29 446	29 446	29 446	29 715	27 132	26 967
Non current liabilities											
Borrowing		33 064	29 453	26 621	26 372	26 372	26 372	26 372	22 985	19 530	16 007
Provisions		44 411	48 948	55 649	19 747	19 747	19 747	19 747	21 129	22 820	24 645
Total non current liabilities		77 475	78 401	82 271	46 119	46 119	46 119	46 119	44 114	42 350	40 652
TOTAL LIABILITIES		128 051	127 180	124 542	75 300	75 565	75 565	75 565	73 830	69 482	67 619
NET ASSETS	5	738 746	767 053	756 758	803 854	775 456	775 456	775 456	786 250	812 517	838 917
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		596 167	624 474	614 179	547 454	519 056	519 056	519 056	786 250	812 517	838 917
Reserves	4	142 579	142 579	142 579	256 400	256 400	256 400	256 400	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	738 746	767 053	756 758	803 854	775 456	775 456	775 456	786 250	812 517	838 917

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 61 is supported by an extensive table of notes (SA3 which can be found on [page 102](#)) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;

- Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 18 MBRR Table A7 - Budgeted Cash Flow Statement

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2017/2018 MTREF provides cash of R14.0 million at the beginning of the 2017/2018 financial year resulting in an overall projected positive cash position of R10.7 million at year end.
4. The 2017/2018 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R10.7 million positive as at the end of the 2017/2018 financial year and increase to R14.8 million by 2018/2019.

KZN222 uMngeni - Table A7 Budgeted Cash Flows

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			130 559	143 603	162 203	161 187	157 163	157 163	157 163	166 146	175 948	186 153
Service charges			56 461	57 768	62 487	72 509	71 685	71 685	71 685	75 982	77 528	79 423
Other revenue			15 910	17 299	13 928	24 996	24 278	24 278	24 278	34 434	36 484	38 600
Government - operating		1	43 893	41 278	53 692	61 469	61 817	61 817	61 817	65 481	70 550	70 427
Government - capital		1	34 912	61 699	17 440	21 866	21 866	21 866	21 866	18 289	19 423	20 619
Interest			3 524	4 396	5 349	5 449	4 466	4 466	4 466	4 800	5 084	5 378
Dividends			-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(217 127)	(243 390)	(284 202)	(306 736)	(315 816)	(315 816)	(315 816)	(330 672)	(346 420)	(358 443)
Finance charges			(4 297)	(3 643)	(3 442)	(5 127)	(5 127)	(5 127)	(5 127)	(5 409)	(5 728)	(6 060)
Transfers and Grants		1	-	-	-	(3 516)	(3 516)	(3 516)	(3 516)	(3 730)	(3 951)	(4 180)
NET CASH FROM/(USED) OPERATING ACTIVITIES			63 835	79 010	27 455	32 096	16 815	16 815	16 815	25 320	28 918	31 918
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			(2 462)	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors			-	-	(3 554)	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables			-	-	1 123	-	-	-	-	-	-	-
Decrease (increase) in non-current investments			(14 949)	(8 750)	-	-	-	-	-	-	-	-
Payments												
Capital assets			(34 206)	(54 135)	(23 485)	(29 148)	(40 079)	(40 079)	(40 079)	(25 287)	(21 336)	(22 641)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(51 617)	(62 886)	(25 915)	(29 148)	(40 079)	(40 079)	(40 079)	(25 287)	(21 336)	(22 641)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			1 111	148	(51)	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			67	(79)	98	182	265	265	265	-	2	2
Payments												
Repayment of borrowing			(2 445)	(2 593)	(2 894)	(2 805)	(2 805)	(2 805)	(2 805)	(3 387)	(3 454)	(3 524)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(1 268)	(2 524)	(2 847)	(2 623)	(2 540)	(2 540)	(2 540)	(3 387)	(3 452)	(3 521)
NET INCREASE/ (DECREASE) IN CASH HELD												
			10 951	13 601	(1 307)	326	(25 804)	(25 804)	(25 804)	(3 353)	4 131	5 755
Cash/cash equivalents at the year begin:		2	(2 275)	8 676	8 103	24 989	39 835	39 835	39 835	14 031	10 677	14 808
Cash/cash equivalents at the year end:		2	8 676	22 276	6 796	25 315	14 031	14 031	14 031	10 677	14 808	20 563

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN222 uMngeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	8 676	22 276	6 796	25 315	14 031	14 031	14 031	10 677	14 806	20 558
Other current investments > 90 days		29 798	24 375	33 038	1	(0)	(0)	(0)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		38 474	46 652	39 835	25 315	14 031	14 031	14 031	10 677	14 806	20 558
Application of cash and investments											
Unspent conditional transfers		17 831	22 223	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(16 670)	(28 660)	(35 385)	(37 867)	(22 610)	(22 610)	(22 610)	(23 145)	(22 025)	(20 803)
Other provisions		-	-	2 135	7 196	7 196	7 196	7 196	7 735	7 967	8 047
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		1 161	(6 437)	(33 250)	(30 671)	(15 414)	(15 414)	(15 414)	(15 410)	(14 057)	(12 756)
Surplus(shortfall)		37 313	53 089	73 084	55 986	29 445	29 445	29 445	26 087	28 863	33 314

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2012/2013 to 2016/2017 the surplus improved from R15, 4 million to R 64,0million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2016/2017 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2016/2017 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 20 MBRR Table A9 - Asset Management

ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		481 935	497 342	517 208	517 208	517 208	517 208	535 497	554 920	575 539
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		54 673	51 779	51 779	51 779	51 779	51 779	51 779	51 779	51 779
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		40 484	45 109	54 759	68 442	66 143	66 143	59 571	58 700	57 484
Infrastructure		577 091	594 230	623 745	637 428	635 130	635 130	646 846	665 399	684 802
Community Facilities		180 311	176 775	126 184	126 184	126 184	126 184	126 184	126 184	126 184
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Community Assets		180 311	176 775	126 184	126 184	126 184	126 184	126 184	126 184	126 184
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		5 393	5 393	5 393	5 393	5 393	5 393	5 393	5 393	5 393
Investment properties		5 393	5 393	5 393	5 393	5 393	5 393	5 393	5 393	5 393
Operational Buildings		5 323	5 323	5 323	5 323	5 323	5 323	5 323	5 323	5 323
Housing		—	—	—	—	—	—	—	—	—
Other Assets		5 323	5 323	5 323	5 323	5 323	5 323	5 323	5 323	5 323
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		5 522	5 414	2 325	2 325	2 325	2 325	5 011	6 160	7 376
Machinery and Equipment		1 620	1 573	1 558	1 558	1 558	1 558	1 558	1 558	1 558
Transport Assets		5 792	5 516	5 920	5 920	5 920	5 920	5 920	5 920	5 920
Libraries		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	781 053	794 225	770 449	784 132	781 833	781 833	796 235	815 937	836 556
EXPENDITURE OTHER ITEMS										
Depreciation	7	37 598	41 825	42 805	28 974	28 974	28 974	28 974	30 741	32 555
Repairs and Maintenance by Asset Class	3	6 333	12 347	21 868	21 861	20 554	20 554	24 957	26 651	28 124
Roads Infrastructure		—	3 940	13 367	7 851	12 351	12 351	10 104	10 701	11 321
Storm water Infrastructure		—	—	—	157	157	157	167	177	187
Electrical Infrastructure		—	2 160	3 492	2 586	2 786	2 786	4 319	4 582	4 848
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		—	6 100	16 860	10 594	15 294	15 294	14 590	15 460	16 356
Community Facilities		—	376	1 586	2 373	772	772	1 700	1 800	1 904
Sport and Recreation Facilities		—	307	313	815	815	815	865	916	969
Community Assets		—	683	1 899	3 188	1 587	1 587	2 565	2 716	2 874
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	—	—	—	4 161	4 614	4 881
Housing		—	—	—	—	—	—	—	—	—
Other Assets		—	—	—	—	—	—	4 161	4 614	4 881
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		6 333	5 564	3 109	8 079	3 673	3 673	3 641	3 861	4 013
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS		43 931	54 172	64 672	50 835	49 528	49 528	53 931	57 392	60 679
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<i>R&M as a % of PPE</i>		0,8%	1,6%	2,9%	2,8%	2,6%	2,6%	3,2%	3,3%	3,4%
<i>Renewal and upgrading and R&M as a % of PPE</i>		1,0%	2,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE, however uMngeni is unable to comply with the above due to cash limitations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

Table 21 MBRR Table A10 - Basic Service Delivery Measurement

KZN222 uMngeni - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		100 000	100 000	100 000	120 000	120 000	120 000	120 000	120 000	120 000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		100	100	100	100	100	100	100	100	100
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		33 598	35 613	46 172	34 275	33 295	33 295	35 326	37 410	39 580
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	5 489	5 489	5 489	5 824	5 813	6 151
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	33 598	35 613	46 172	39 765	38 784	38 784	41 150	43 223	45 730

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
 - a. Electricity services – backlog has been reduced. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritised, with all households in rural areas budgeted to be electrified in 2015/16.
 - b. Refuse services – It should be noted that this function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
3. The budget provides for 9000 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to increase to 3500 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R7,4 million in 2016/2017, remaining at R 7,4million in 2016/2017 at current tariffs. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, the Municipality also 'gives' households R53,9 million in free services in 2016/2017, and remains at R53,9 million in 2017/2018 at current tariffs. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the 'free services' represent about 8 per cent of total operating revenue.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. September 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in September 2016. Key dates applicable to the process were: IDP and Service Delivery and Budget Implementation Plan

A fourth draft generation IDP document has been compiled and it started in July 2017. The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth generation cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2017/18 MTREF, based on the approved 2017/2018 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2017/18 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2016/17 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2017/2018 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2017/2018 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2016/2017 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 85 and 86 have been taken into consideration in the planning and prioritisation process.

2.1.3 Community Consultation

The 2017/2018 MTREF will be tabled before Council on 31 March 2017 for community consultation and will be published on the municipality's website, hard copies will be made available at municipal offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

There will be ward committee meeting and izimbizo to present the budget in April 2017.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2016/2017 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 22 IDP Goals and Strategic Objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

The Municipality has developed six IDP goals and strategic objectives which are aligned to the seven provincial goals as contained in the PGDS and also aligned to the National Key Performance Areas. The table below reflect on the linkages of the KPAs, KZN PGDS with the IDP Goals.

KEY PERFORMANCE AREAS	PGDS GOALS	IDP GOALS
Cross Cutting	Spatial Equity Environmental Sustainability	Spatial planning and environmental sustainability
Municipal Transformation and Organisational Development	Human Resource Development	Human resource development and management
Basic Service Delivery and Infrastructure Development	Strategic Infrastructure	Promote human settlement and infrastructure development
Local Economic and Social Development	Job Creation	Transformation of the main economic sectors

KEY PERFORMANCE AREAS	PGDS GOALS	IDP GOALS
	Human and Community Development	
Municipal financial viability and management	Governance and Policy	Financially sound and sustainable municipality
Good Governance and Public Participation	Governance and Policy	Good corporate governance

Strategic Goals and Objectives

The uMngeni Municipality last embarked on a strategic planning exercise which was mainly focused on restructuring and developing a new organogram.

The table below provides an outline of the reviewed municipal goals and strategic objectives that are linked to the 6 Key Performance Areas.

KEY PERFORMANCE AREA	IDP GOAL	STRATEGIC OBJECTIVES
A - Municipal Transformation and Institutional Development	1. Human resource development and management	<ol style="list-style-type: none"> 1. Maintain good labour relations 2. Promote employment equity 3. Enhance human resource management
B - Good Governance and Public Participation	2. Good corporate governance	<ol style="list-style-type: none"> 1. Optimise information communication and technology solutions 2. Maintain law enforcement 3. Strengthened oversight functions 4. Ensure stakeholder engagement
C - Local Economic Development	3. Sustainable socio-economic development	<ol style="list-style-type: none"> 1. Maintenance of roads and storm water infrastructure 2. Construction and extension of electricity network to businesses

KEY PERFORMANCE AREA	IDP GOAL	STRATEGIC OBJECTIVES
		<ul style="list-style-type: none"> 3. Support and grow the economy for investment and job opportunities 4. Support and promote tourism development 5. Coordination of agricultural development 6. Enhance human development 7. Facilitate youth career development
D - Basic Service Delivery	4. Promote human settlements and infrastructure development	<ul style="list-style-type: none"> 1. Coordinate and facilitate provision of housing 2. Construction of roads and storm water infrastructure 3. Construction and extension of electricity network to all households 4. Management of cemeteries 5. Comprehensive waste management 6. Management of all public open spaces
E- Municipal Financial Viability and Financial Management	5. Financially sound and sustainable municipality	<ul style="list-style-type: none"> 1. Increase and diversify municipal revenue streams 2. Effective budget preparation and implementation 3. Effective, efficient and transparent procurement of goods and services
F - Cross Cutting	6. Spatial planning and environmental sustainability	<ul style="list-style-type: none"> 1. Manage and regulate integrated development and spatial planning

KEY PERFORMANCE AREA	IDP GOAL	STRATEGIC OBJECTIVES
		2. Conservation and management of natural resources

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the Draft fourth generation, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating community based planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2017/2018 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 23 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN222 uMngeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

KAZIIEI Iingim Supporting Table 01A: Accommodation of Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Revenue				285 670	326 042							
	Human resources resource development and management					959	1 233	1 126	1 126	1 194	1 219	1 289
	Good corporate governance					178 543	223 282	220 885	220 885	235 387	250 937	266 322
	Sustainable socio-economic development					471	1 030	13 007	13 007	3 128	3 312	3 504
	Promote humann settlements and infrastructure development					32 846	36 307	35 474	35 474	34 156	35 157	37 444
	Financial sound and sustainable municipality					23 281	6 564	5 142	5 142	5 432	5 980	6 213
	Spatial planning and environmental sustainability					81 782	121 614	138 501	138 501	143 246	148 892	149 525
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	285 670	326 042	317 882	390 030	414 135	414 135	422 542	445 496	464 298

Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN222 uMngeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

KZNZZZ umngeni - Supporting Table SA3 Reconciliation of IDP Strategic Objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Expenditure	Expenditure			283 234	299 494								
	Human resources resource development and management					24 301	32 398	30 189	30 189	32 532	34 829	36 956	
	Good corporate governance					53 899	44 282	40 437	40 437	44 246	46 954	49 791	
	Sustainable socio-economic development					7 769	7 624	9 333	9 333	12 743	13 597	14 527	
	Promote humann settlements and infrastructure development					54 429	61 054	62 416	62 416	54 668	58 241	61 729	
	Financial sound and sustainable municipality					63 929	50 256	51 206	51 206	64 480	67 553	71 831	
	Spatial planning and environmental sustainability					136 077	172 043	188 476	188 476	195 228	202 794	205 655	
Allocations to other priorities													
Total Expenditure				1	283 234	299 494	340 404	367 656	382 057	382 057	403 898	423 968	440 489

Table 25 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN222 uMngeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

KENN22 Unmigen - Supporting Table SAO Reconciliation of NR Strategic Objectives and Budget (Capital expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Capital Expenditure		A		33 135	56 276	19 010	29 148	40 079	40 079	25 296	21 336	22 641	
		B											
		C											
		D											
		E											
		F											
		G											
		H											
		I											
		J											
		K											
		L											
		M											
		N											
		O											
		P											
Allocations to other priorities				3									
Total Capital Expenditure				1	33 135	56 276	19 010	29 148	40 079	40 079	25 296	21 336	22 641

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

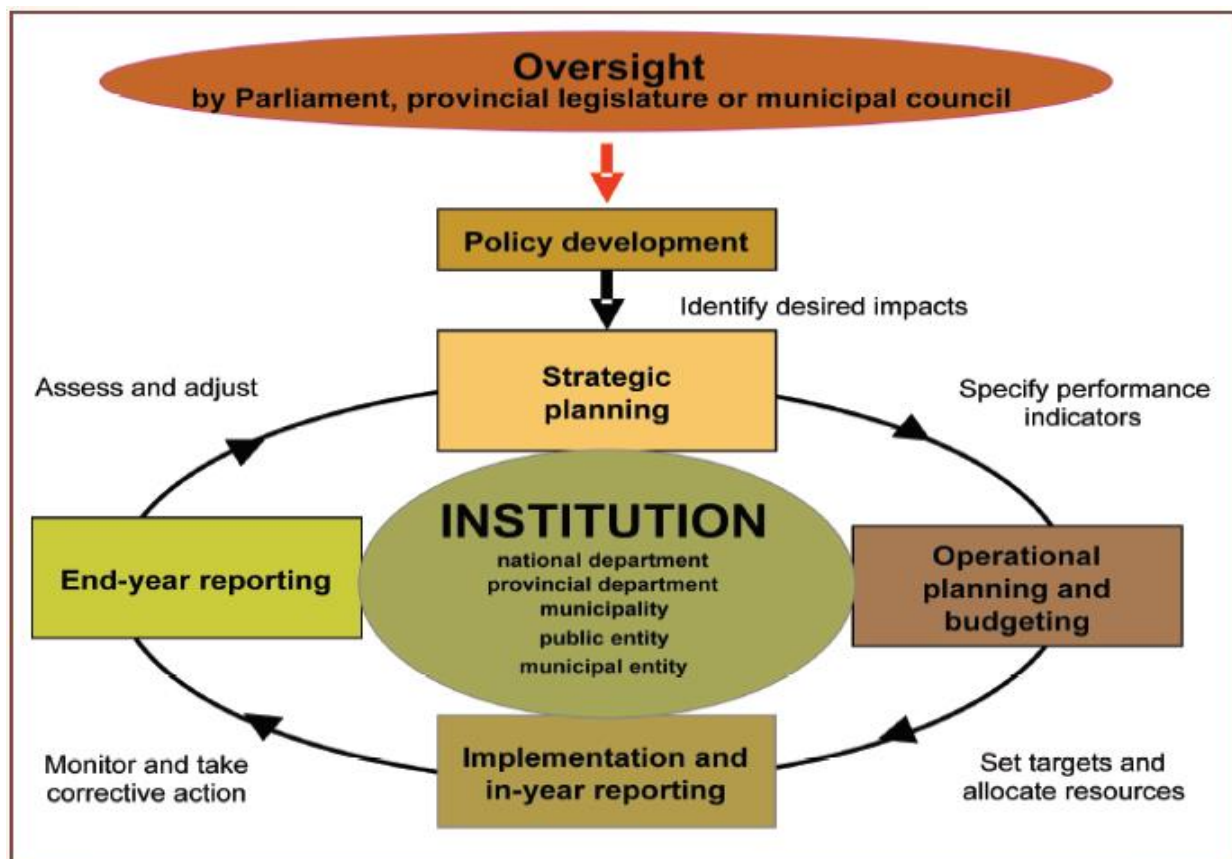


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

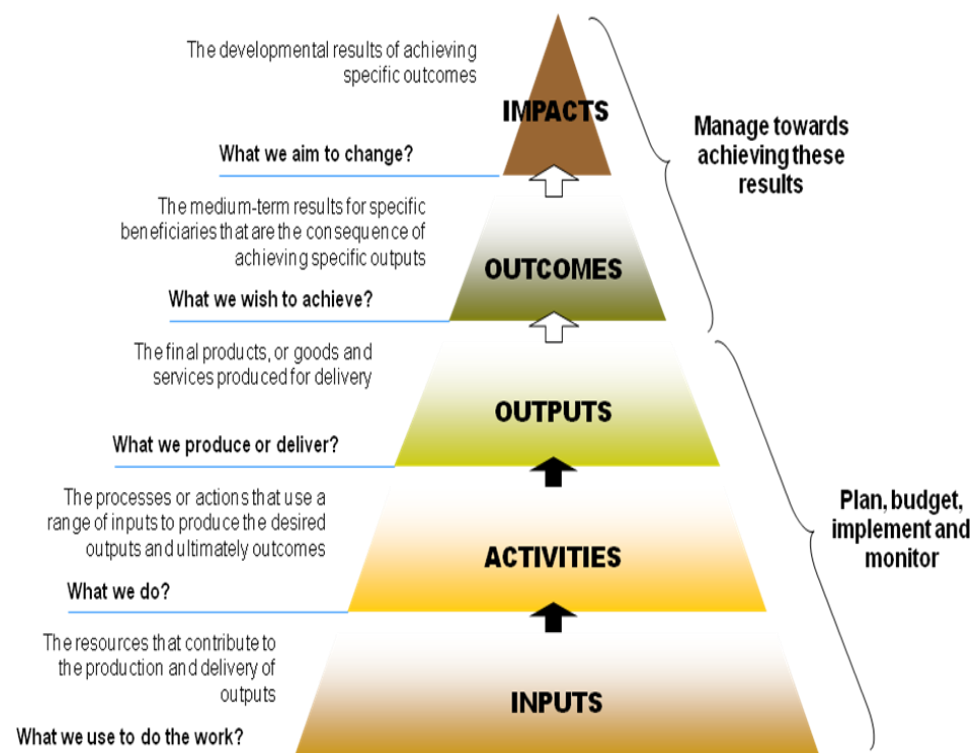


Figure 2 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

KEY FINANCIAL RATIOS OR INDICATORS		
Financial Benchmarks	Basic of Calculation	2014/2015 (AFS)
Debt to Asset Ratio	Total Debt/Total Assets	1:0.04
Debt to Revenue	Total Debt/Annual Income	1:0.11
Average Interest Paid on Debt	Interest Paid/Total Interest Bearing Debt	1:0.71
Capital Charges to Operating Expenditure	Interest & Principal Paid/ Operating Expenditure	1:0.03
Interest as a % of Operating Expenditure	Interest Paid/ operating Expenditure	1.5%
Current Ratio	Current asset/ Current Liabilities	1:1.93
Creditors System Efficiency	% of creditors Paid within terms	97.6%

Table 26 MBRR Table SA7 - Measurable performance objectives

KZN222 uMngeni - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/2018 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

KZN222 uMngeni - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2,4%	2,3%	1,9%	2,2%	2,1%	2,1%	2,1%	2,2%	2,2%	2,2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3,2%	3,1%	2,6%	2,6%	2,5%	2,5%	2,5%	2,6%	2,6%	2,6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	1,7%	23,9%	-0,4%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	23,2%	20,7%	18,7%	10,3%	10,3%	10,3%	10,3%	0,0%	0,0%	0,0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1,6	1,9	2,5	3,1	2,2	2,2	2,2	2,0	2,2	2,4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,6	1,9	2,5	3,1	2,2	2,2	2,2	2,0	2,2	2,4
Liquidity Ratio	Monetary Assets/Current Liabilities	0,8	1,0	0,9	0,9	0,5	0,5	0,5	0,4	0,5	0,8
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		111,3%	113,6%	102,3%	90,3%	89,3%	89,3%	89,3%	90,0%	90,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		111,3%	113,6%	103,4%	90,3%	89,3%	89,3%	89,3%	90,0%	90,0%	90,0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	16,3%	17,7%	21,8%	17,5%	13,0%	13,0%	13,0%	11,8%	10,8%	9,9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		280,1%	85,0%	427,1%	67,3%	121,5%	121,5%	121,5%	151,7%	106,1%	74,9%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kl)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	25,6%	30,8%	29,1%	27,8%	25,8%	25,8%	25,8%	27,7%	27,9%	28,6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29,2%	34,7%	31,2%	29,8%	27,7%	27,7%		30,5%	31,0%	31,8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2,5%	4,6%	7,3%	5,9%	5,4%	5,4%		6,2%	6,3%	6,3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	16,3%	17,0%	15,4%	9,3%	8,9%	8,9%	8,9%	8,9%	9,0%	9,1%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	29,9	27,1	29,9	42,2	42,2	42,2	39,1	39,7	39,9	41,9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24,8%	26,9%	30,1%	24,8%	19,4%	19,4%	19,4%	17,7%	16,2%	14,9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,5	1,2	0,3	1,1	0,6	0,6	0,6	0,4	0,5	0,7

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, uMngeni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2017/2018 MTREF:

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The Municipality has raised mainly amortising loans over the past six years, hence effectively 'front-loading' its debt service costs. This is reflected in the Municipality's debt service profile, which predicts large debt service costs between 2013 and 2018. Debt service costs are expected to peak in 2018 due to the redemption of the last few term loans held by the Municipality.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2017/2018 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2017/2018 financial year 2775 registered indigents have been provided for in the budget with this figured increasing to 2913 by 2017/2018. In terms of the Municipality's indigent policy registered households are entitled to 100 kwh of electricity and free waste removal for all properties with a value of up to R200 000 as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in A10 (Basic Service Delivery Measurement).

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation.

2.4.1 Budget Policy

2.4.2 Supply Chain Management Policy

2.4.3. Rates Policy

2.4.4 Tariff Policy

2.4.5 Indigent Policy

2.4.6 Credit Control & Debt Collection Policy

2.4.7 Subsistence & Travel Policy

2.4.8 Leave Policy

2.4.9 Human Resources Training & Development Policy.

2.4.10 Virement Policy

2.4.11 Funding and Reserves Policy

2.4.12 Cash Management and Investment Policy

2.4.13 Overtime Policy

2.4.14 Organisational Performance Management Policy

2.4.15 Social Housing Policy

2.4.16 Asset Management Policy

promulgation of the Municipal Budget and Reporting Regulations in Government Gazette No. 32141 dated 17 April 2009 is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirement for insuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the MFMA.

These regulations are effective for all Municipalities from 1 July 2010 and the budget has been compiled accordingly to be in full compliance from 1 July 2010.

In terms of section 7 of these regulations the Municipal Manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1)(b) of the Act.

2.4.1 BUDGET POLICY

The budget policy is there to assist Mayors, Councillors, Accounting Officers and Senior Managers in dealing with the changes brought about by the Municipal Finance Management Act No 56 of 2003. This policy provides a framework within which Senior Management can compile, control and review budgets of their respective departments to ensure effective financial management

2.4.2 SUPPLY CHAIN MANAGEMENT POLICY

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy.

This policy is within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

- a. A procurement system which is fair, equitable, transparent, competitive and cost-effective in terms of section 217 of the Constitution of South Africa No. 108 of 1996
- b. As enshrined in Chapter 11 of the Municipal Finance Management Act and its regulations
- c. Best practices in supply chain management
- d. Uniformity in supply chain management systems between organs of state in all spheres
- e. Broad Based Black Economic Empowerment

2.4.3 RATES POLICY

Section 5(1) of the Municipal Property Rates Act, No. 6 of 2004 states that a municipal council must annually review, and if necessary, amend its rates policy. Any amendments must accompany the municipality's annual budget when it is tabled in the Council. The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates.

2.4.4 TARIFF POLICY

The Municipal Systems Act, No 32 of 2000, requires a municipality to have a tariff determination policy. The challenge in setting tariffs lies in striking a balance between maintaining financial sustainability of the relevant departments (and so the sustainability of service provision) and ensuring affordability of those services by consumers. The municipality's tariff policy provides a broad framework where the Council can determine

fair, transparent and affordable service charges that also promote sustainability of service provision. The policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of.

2.4.5 INDIGENT POLICY

The provision of free basic social services by local government is part of the broader social agenda and anti-poverty strategy of the South African government.

Government at all levels has a constitutional obligation to take measures towards the realisation of the social and economic rights of all people as contained in the Bill of Rights. These rights include, inter alia health care, water, education, housing, food, social security and the environment.

Section 27 of the South African Constitution, 1996 (Act 108 of 1996) stipulates that:

1.1 *Everyone has the right to have access to –*

a)

b) *Sufficient food and water; and*

c) *Social security, including, if they are unable to support themselves and their dependants, appropriate social assistance.*

The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights.

Local Government, as the third sphere of Government, therefore has a Constitutional duty to assist the National and Provincial spheres of Government in the realisation of the above mentioned rights.

2.4.6 CREDIT CONTROL & DEBT COLLECTION POLICY

The municipality's credit control and debt collection policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

2.4.7 SUBSISTANCE AND TRAVEL POLICY

The purpose of this policy is to determine guidelines for Councillors and officials for the payment of travelling and subsistence allowances when performing official functions on behalf of the Municipality.

2.4.8 LEAVE POLICY

The leave policy for uMngeni Municipality was adopted by Council in January 2009 and the goal is to ensure that the services rendered by this municipality to the community are efficient, effective and uninterrupted.

The objections are as follows:

- (i) Ensure continuity in operational requirements of the organisation while other employees are on leave.
- (ii) To develop a better understanding regarding leave policy and procedure.
- (iii) Ensure the development of clearly written administrative policy and procedure.
- (iv) To ensure proper and accurate record keeping.
- (v) To ensure that the private and confidential information is maintained.
- (vi) Ensure that leave policy respond effectively to crisis and emergency situations.

2.4.9 HUMAN RESOURCE TRAINING AND DEVELOPMENT POLICY

This policy deals with the process whereby people acquire the necessary knowledge and skills to perform delegated tasks. The objective is to ensure that the municipality is served by professional, competent, and productive employees who will have, through continuous improvement in skills and attitude facilitated by the Training Division, distinguish themselves of being capable of delivering high quality services to all people in an endeavour to achieve the municipal strategic objectives.

2.4.10 VIREMENT POLICY

This policy's objective is to allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

2.4.11 FUNDING AND RESERVES POLICY

The funding and reserves policy is aimed at ensuring that the municipality procures sufficient and cost effective funding in order to achieve its capital expenditure objectives in an optimum manner. The policy is adhered to in the procurement of funding for the municipality having due regard to the assets and liability maturity profile of the municipality.

2.4.12 CASH MANAGEMENT AND INVESTMENT POLICY

Section 13(2) of the MFMA requires that a municipality have a policy dealing with cash management and investment. The municipality's cash management and investment policy is developed within the framework of the MFMA.

2.4.13 OVERTIME POLICY

This policy is to ensure that a clear policy guideline is established for all employees of the municipality for working overtime and performing standby duties.

2.4.14 ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY

The Performance Management System (PMS) is aimed at:

Providing Guidelines on the effective implementation and maintenance of a single and uniform performance management process within uMngeni Municipality;

Ensuring that every employee's output is optimized in terms of quality and quantity, thereby improving uMngeni Municipality's overall performance and service delivery;

Ensuring that individual employee performance is evaluated fairly and objectively;

Ensuring that categories of performance that exceed expectations are recognized, and;

Also ensuring that categories of performance that do not meet expectations are managed.

2.4.15 MUNICIPAL SOCIAL / RENTAL HOUSING POLICY

The objectives of this Social Housing Policy for uMngeni Municipality are as follows;

To address the housing backlog in the uMngeni municipal area

To ensure that housing beneficiaries are given a choice in respect of the housing types that will suite their life styles and requirements

To facilitate the development and rejuvenation of the town of Howick through social housing development

uMngeni Municipality also intends to facilitate the institution of a Social Housing Company that will be responsible for driving and championing social housing projects within the Municipal area through the social housing policy

This policy seeks to address the imbalances of the past which were a result of the promulgation of policies under the apartheid regime that granted specifically located land for racial segregation as such policies were also determining the urban landscape.

The acceptance of this policy by uMngeni Municipality's EXCO will enable the Municipality and other role-players in the social housing sector to work co-operatively towards improving and upgrading the municipal infrastructure in the identified restructuring zones so that new social housing projects have easy access to services as per Chapter 2, section 5 (iii) of the Social Housing Policy,2006.

To ensure access to funding for social housing development is not interrupted by a lack of policy framework within the municipal structure/municipality

The policy is intended to create an enabling environment for the Municipality to enter into performance agreements with social housing institutions that will be responsible for the overall management of social housing stock within uMngeni Municipality

All the above policies are available at the Municipal Offices in Howick, Hilton, Mpophomeni and Howick West, all the libraries in Howick, Howick West, Hilton and Mpophomeni as well as on the municipality's website www.umngeni.gov.za.

2.4.16 ASSET MANAGEMENT POLICY

The objectives of this policy are:

- To ensure the effectiveness and efficient control, utilisation, safeguarding and strategic property management of municipality's immovable property (property, plant and equipment).
- To ensure asset managers (property managers) are aware of their responsibilities with regards to property, plant and equipment.
- To set out standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation.
- To specify the process required before expenditure on property, plant equipment occurs.
- To emphasize a culture of transparency and accountability over assets.
- To ensure compliance with all legislative, policies, by laws and accounting prescriptions and requirements.

2.4.17 Travel Allowance Policy

- The objectives of the scheme are to provide for the following:
Uniform guidelines, conditions and limitations in terms of which the scheme be run in order to restrict differences.
- To compensate employees in a fair and reasonable manner for the utilization of private travel in the execution of official duties.

2.5.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2017/2018 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity ; and
- The increase in the cost of remuneration. Employee related costs comprise 28% per cent of total operating expenditure in the 2017/2018 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC has been concluded with the municipal workers unions and must be noted.

2.5.2 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2017/2018 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2017/2018 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (90 per cent) of annual billings. Cash flow is assumed to be 90 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.4 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.5 Salary increases

The South African Local Government Bargaining Council entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The preparation of the 2017/18 MTREF constitutes implementation of the last year of the agreement which municipalities must implement as follows:

2017/18 Financial Year-average CPI (Feb 2016-Jan 2017)+1 per cent.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align

IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 90 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2017/2018 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 28 Breakdown of the operating revenue over the medium-term

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Description	Adjustments Budget Year 2016/17	Budget Year 2017/2018	%	Budget Year 2018/2019	%	Budget Year 2019/2020
Revenue By Source						
Property rates	173 992 690	184 606 244,40	46%	195 498 012,82	46%	206 836 897,56
Service charges - electricity revenue	76 884 398	78 575 855,00	19%	80 304 524,00	19%	82 071 224,00
Service charges - refuse revenue	5 512 250	5 848 496,99	1%	5 837 472,49	1%	6 176 045,90
Rental of facilities and equipment	716 244	763 141,71	0%	762 013,41	0%	806 210,19
Interest earned - external investments	2 760 526	2 928 917,84	1%	3 101 723,99	1%	3 281 623,99
Interest earned - outstanding debtors	1 959 837	2 079 387,06	1%	2 202 070,89	1%	2 329 791,01
Fines	48 256 526	52 755 820,78	13%	55 868 414,21	13%	59 108 782,23
Licences and permits	3 439 439	3 649 244,61	1%	3 864 550,04	1%	4 088 693,94
Transfers recognised - operational	61 816 941	65 481 000,00	16%	70 550 000,00	17%	70 427 000,00
Other revenue	6 870 984	7 565 118,12	2%	8 084 136,00	2%	8 553 015,88
NET OPERATING INCOME	382 209 835,02	404 253 226,51	100,00%	426 072 917,86	100,00%	443 679 284,70

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity, solid waste removal, property rates, operating grants from organs of state and other minor charges (such as building plan fees, licenses, fines and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 88 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2017/2018 MTREF on the different revenue categories are:

Table 29 Proposed tariff increases over the medium-term

Revenue to be generated from property rates is R184,6 million in the 2017/2018 financial year and increases to R195,5 million by 2018/2019 which represents 45,7 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

Services charges relating to electricity and refuse removal constitutes the second biggest component of the revenue basket of the Municipality totalling R84,4 million for the 2017/2018 financial year and increasing to R 86,1 million by 2018/2019. For the 2017/2018 financial year services charges amount to 20, 8 per cent of the total revenue base and 20.2 per cent per annum over the medium-term.

Operational grants and subsidies amount to R65, 5 million, R70.6 million and R70.4 million for each of the respective financial years of the MTREF. The percentage of the total operational grants and transfers is 16,2 per percent in 2017/18, 16,6 per cent in 2018/19 and 15,9 in 2019/20.

It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 30 MBRR SA15 – Detail Investment Information
KZN222 uMngeni - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds					-	-	-	-	-	
Deposits - Bank		29 798	38 548	33 038	18 160	11 081	11 081	8 423	11 284	16 574
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	29 798	38 548	33 038	18 160	11 081	11 081	8 423	11 284	16 574
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		29 798	38 548	33 038	18 160	11 081	11 081	8 423	11 284	16 574

Table 31 MBRR SA15 – Investment particulars by maturity
KZN222 uMngeni - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
ABSA		n/a	FIXED	YES	FIXED	FIXED	0			3,322	2,768	-	-	6,090
FNB		n/a	FIXED	YES	FIXED	FIXED	0			1,530	638	-	-	2,168
INVESTEC BANK		n/a	CALL	YES	VARIABLE	VARIABLE	0			8,525	1,377	-	-	9,902
		n/a	FIXED	YES	FIXED	FIXED	0							-
		n/a	FIXED	YES	FIXED	FIXED	0							-
Municipality sub-total										13,377		-	-	18,160
Entities														
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									13,377		-	-	18,160

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds although this is not at all sufficient.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2017/2018 medium-term capital programme:

Table 32 Sources of capital revenue over the MTREF

Funded by:											
National Government		18 912	22 912	6 852	21 866	21 866	21 866	21 866	18 289	19 423	20 619
Provincial Government		8 659	31 465	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	27 571	54 377	6 852	21 866	21 866	21 866	21 866	18 289	19 423	20 619
Public contributions & donations	5	24	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		66 272	620	12 158	7 282	18 213	18 213	18 213	7 007	1 913	2 022
Total Capital Funding	7	93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 296	21 336	22 641

Capital grants and internally funded projects is R 25,3 million of which R 18.3 million is grant and R 7.0 internal fund.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 33 MBRR Table SA 17 - Detail of borrowings

KZN222 uMngeni - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Parent municipality										
Annuity and Bullet Loans		33 064	29 453	26 621	26 372	26 372	26 372	22 985	19 530	16 007
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	33 064	29 453	26 621	26 372	26 372	26 372	22 985	19 530	16 007
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	33 064	29 453	26 621	26 372	26 372	26 372	22 985	19 530	16 007

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R7,0 million.

Table 34 MBRR Table SA 18 – Operating and Capital transfers and grant receipts

KZN222 uMngeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		43 831	44 911	50 028	53 371	53 371	53 371	62 148	67 044	66 756
Local Government Equitable Share		37 208	40 229	44 316	44 429	44 429	44 429	49 902	55 318	59 803
Municipal Systems Improvement		966	1 315	930	-	-	-	-	-	-
Finance Management		2 673	1 977	1 600	1 625	1 625	1 625	1 700	1 955	1 955
EPWP Incentive		2 984	972	1 466	1 317	1 317	1 317	1 000	-	-
Integrated National Electrification Programme		-	418	1 715	6 000	6 000	6 000	5 000	5 000	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	4 546	4 771	4 998
Provincial Government:		4 434	2 913	3 664	3 201	3 201	3 201	3 333	3 506	3 671
KZN Library		2 672	2 752	2 976	2 668	2 668	2 668	2 774	2 919	3 065
KZN Museum		284	161	656	175	175	175	183	193	202
Cleanest Town		1 320	-	1	-	-	-	-	-	-
Data Cleansing		158	-	25	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	7	358	358	358	376	394	404
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	48 265	47 824	53 692	56 572	56 572	56 572	65 481	70 550	70 427
Capital Transfers and Grants										
National Government:		19 487	21 415	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Municipal Infrastructure Grant (MIG)		18 912	21 415	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Dept of Energy- NATIONAL GRANT		575	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		8 641	32 312	10 588	-	10 059	10 059	-	-	-
Mandela Capture site and Cedara College		8 641	32 312	10 588	-	10 059	10 059	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	28 128	53 727	17 440	21 866	31 925	31 925	18 289	19 423	20 619
TOTAL RECEIPTS OF TRANSFERS & GRANTS		76 393	101 551	71 132	78 438	88 497	88 497	83 770	89 973	91 046

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 35 MBRR Table A7 - Budget cash flow statement

KZN222 uMngeni - Table A7 Budgeted Cash Flows

KENZ22 umingenr - Table A7 Budgeted Cash Flows											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		98,484	104,169	126,096	130,685	132,187	132,187	132,187	163,423	173,555	183,795
Service charges		53,135	51,944	57,768	63,867	64,546	64,546	64,546	73,615	80,380	87,755
Other revenue		58,151	50,904	29,037	27,601	27,308	27,308	27,308	24,996	26,545	28,112
Government - operating	1	42,208	50,677	47,728	51,426	56,426	56,426	56,426	61,469	66,945	65,705
Government - capital	1	24,364	28,128	55,249	27,249	22,249	22,249	22,249	21,866	23,506	24,653
Interest		6,890	3,524	718	3,112	3,494	3,494	3,494	5,449	5,787	6,129
Dividends					-	-	-	-	-	-	-
Payments											
Suppliers and employees		(246,789)	(215,949)	(212,865)	(261,787)	(281,107)	(281,107)	(281,107)	(309,001)	(325,220)	(341,766)
Finance charges		(5,992)	(4,297)	(3,675)	(4,760)	(4,760)	(4,760)	(4,760)	(5,127)	(5,445)	(5,767)
Transfers and Grants	1			(7,162)	(7,110)	(3,250)	(3,250)	(3,250)	(3,465)	(3,680)	(3,897)
NET CASH FROM/(USED) OPERATING ACTIVITIES		30,452	69,099	92,893	30,283	17,093	17,093	17,093	33,225	42,374	44,719
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	(14,949)	148	-	8,234	8,234	8,234	-	-	-
Payments											
Capital assets		(24,364)	(36,668)	(90,975)	(27,249)	(44,409)	(44,409)	(44,409)	(29,148)	(32,764)	(35,786)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(24,364)	(51,617)	(90,827)	(27,249)	(36,175)	(36,175)	(36,175)	(29,148)	(32,764)	(35,786)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits				(79)		69	69	69	(135)	(64)	(62)
Payments											
Repayment of borrowing		(2,368)	(2,445)	(2,560)	(2,650)	(2,650)	(2,650)	(2,650)	(2,805)	(2,973)	(3,152)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,368)	(2,445)	(2,638)	(2,650)	(2,581)	(2,581)	(2,581)	(2,940)	(3,037)	(3,214)
NET INCREASE/ (DECREASE) IN CASH HELD		3,720	15,037	(573)	384	(21,663)	(21,663)	(21,663)	1,137	6,573	5,720
Cash/cash equivalents at the year begin:	2	(5,995)	(2,275)	8,676	8,377	46,652	46,652	46,652	24,989	26,126	32,699
Cash/cash equivalents at the year end:	2	(2,275)	12,763	8,103	8,761	24,989	24,989	24,989	26,126	32,699	38,419

The above table shows that cash and cash equivalents of the Municipality are fluctuating as from 2017/2018 to 2019/20 financial year. With the 2017/2018 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 36 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN222 uMngeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	8 676	22 276	6 796	25 315	14 031	14 031	14 031	10 677	14 806	20 558
Other current investments > 90 days		29 798	24 375	33 038	1	(0)	(0)	(0)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		38 474	46 652	39 835	25 315	14 031	14 031	14 031	10 677	14 806	20 558
Application of cash and investments											
Unspent conditional transfers		17 831	22 223	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(16 670)	(28 660)	(35 385)	(37 867)	(22 610)	(22 610)	(22 610)	(23 145)	(22 025)	(20 803)
Other provisions		-	-	2 135	7 196	7 196	7 196	7 196	7 735	7 967	8 047
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		1 161	(6 437)	(33 250)	(30 671)	(15 414)	(15 414)	(15 414)	(15 410)	(14 057)	(12 756)
Surplus(shortfall)		37 313	53 089	73 084	55 986	29 445	29 445	29 445	26 087	28 863	33 314

From the above table it can be seen that the cash and investments available total R10.7 million positive in the 2017/2018 financial year and progressively increase to R14.8 million positive by 2018/19, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial

year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business.

- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totalled R0 million for the 2017/2018 financial year.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding

compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 37 MBRR SA10 – Funding compliance measurement

Total Operating Revenue			257 542	270 793	300 442	368 164	382 210	382 210	382 210	404 253	426 073	443 679
Total Operating Expenditure			283 234	299 494	340 404	367 656	382 057	382 057	382 057	403 898	423 968	440 489
Operating Performance Surplus/(Deficit)			(25 692)	(28 702)	(39 962)	507	153	153	153	356	2 105	3 191
Cash and Cash Equivalents (30 June 2012)										10 677		
Revenue												
% Increase in Total Operating Revenue				5,1%	10,9%	22,5%	3,8%	0,0%	0,0%	5,8%	5,4%	4,1%
% Increase in Property Rates Revenue				7,0%	29,6%	14,0%	(1,4%)	0,0%	0,0%	6,1%	5,9%	5,8%
% Increase in Electricity Revenue				1,7%	7,5%	35,7%	0,0%	0,0%	0,0%	2,2%	2,2%	2,2%
% Increase in Property Rates & Services Charges				5,5%	22,6%	19,1%	(1,0%)	0,0%	0,0%	4,9%	4,7%	4,8%
Expenditure												
% Increase in Total Operating Expenditure				5,7%	13,7%	8,0%	3,9%	0,0%	0,0%	5,7%	5,0%	3,9%
% Increase in Employee Costs				26,4%	4,8%	16,9%	(3,6%)	0,0%	0,0%	13,5%	6,1%	7,0%
% Increase in Electricity Bulk Purchases				9,7%	15,9%	13,9%	8,4%	0,0%	0,0%	3,7%	2,2%	2,2%
Average Cost Per Budgeted Employee Position (Remuneration)					202868,9536	0				0		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE		0,8%	1,6%	2,9%	2,8%	2,6%	2,6%			3,2%	3,3%	3,4%
Asset Renewal and R&M as a % of PPE		1,0%	2,0%	3,0%	3,0%	3,0%	3,0%			3,0%	3,0%	3,0%
Debt Impairment % of Total Billable Revenue			12,8%	12,4%	12,0%	8,8%	12,3%	12,3%	12,3%	12,4%	12,5%	12,7%
Capital Revenue												
Internally Funded & Other (R'000)			66 296	620	12 158	7 282	18 213	18 213	18 213	7 007	1 913	2 022
Borrowing (R'000)			-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			27 571	54 377	6 852	21 866	21 866	21 866	21 866	18 289	19 423	20 619
Internally Generated funds % of Non Grant Funding			100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding			29,4%	98,9%	36,0%	75,0%	54,6%	54,6%	54,6%	72,3%	91,0%	91,1%
Capital Expenditure												
Total Capital Programme (R'000)			93 867	54 996	19 010	29 148	40 079	40 079	40 079	25 296	21 336	22 641
Asset Renewal			-	-	-	-	-	-	-	-	-	-
Asset Renewal % of Total Capital Expenditure			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Cash												
Cash Receipts % of Rate Payer & Other			97,8%	99,2%	98,1%	85,4%	79,7%	79,7%	79,7%	82,3%	82,3%	82,2%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			2,4%	2,3%	1,9%	2,2%	2,1%	2,1%	2,1%	2,2%	2,2%	2,2%
Borrowing Receipts % of Capital Expenditure			1,7%	23,9%	(0,4%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves												
Surplus/(Deficit)			37 313	53 089	73 084	55 986	29 445	29 445	29 445	26 087	28 863	33 314
Free Services												
Free Basic Services as a % of Equitable Share			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
Free Services as a % of Operating Revenue (excl operational transfers)			16,1%	16,0%	18,7%	13,0%	12,1%	12,1%		12,1%	12,2%	12,3%
High Level Outcome of Funding Compliance												
Total Operating Revenue			257 542	270 793	300 442	368 164	382 210	382 210	382 210	404 253	426 073	443 679
Total Operating Expenditure			283 234	299 494	340 404	367 656	382 057	382 057	382 057	403 898	423 968	440 489
Surplus/(Deficit) Budgeted Operating Statement			(25 692)	(28 702)	(39 962)	507	153	153	153	356	2 105	3 191
Surplus/(Deficit) Considering Reserves and Cash Backing			37 313	53 089	73 084	55 986	29 445	29 445	29 445	26 087	28 863	33 314
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a

risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6,1 per cent, with the increase in electricity at 2.2 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 90 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly?

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 0.8, 0.8 and 0.8 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days and more, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 0 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both

measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Expenditure on transfers and grants programmes

Table 38 MBRR SA19 - Expenditure on transfers and grant programmes

KZN222 uMngeni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		43 831	44 911	50 028	53 371	53 371	53 371	62 148	67 044	66 756
Local Government Equitable Share		37 208	40 229	44 316	44 429	44 429	44 429	49 902	55 318	59 803
Municipal Systems Improvement		966	1 315	930	—	—	—	—	—	—
Finance Management		2 673	1 977	1 600	1 625	1 625	1 625	1 700	1 955	1 955
EPWP Incentive		2 984	972	1 466	1 317	1 317	1 317	1 000	—	—
Integrated National Electrification Programme		—	418	1 715	6 000	6 000	6 000	5 000	5 000	—
Other transfers/grants [insert description]		—	—	—	—	—	—	4 546	4 771	4 998
Provincial Government:		4 434	2 913	3 664	3 201	3 201	3 201	3 333	3 506	3 671
KZN Library		2 672	2 752	2 976	2 668	2 668	2 668	2 774	2 919	3 065
KZN Museum		284	161	656	175	175	175	183	193	202
Cleanest Town		1 320	—	1	—	—	—	—	—	—
Data Cleansing		158	—	25	—	—	—	—	—	—
Other transfers/grants [insert description]		—	—	7	358	358	358	376	394	404
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:		48 265	47 824	53 692	56 572	56 572	56 572	65 481	70 550	70 427
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		19 487	21 415	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Municipal Infrastructure Grant (MIG)		18 912	21 415	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Dept. of Energy- NATIONAL GRANT		575	—	—	—	—	—	—	—	—
Other capital transfers/grants [insert desc]		—	—	—	—	—	—	—	—	—
Provincial Government:		8 641	32 312	10 588	—	10 059	10 059	—	—	—
Mandela Capture site and Cedara College		8 641	32 312	10 588	—	10 059	10 059	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Total capital expenditure of Transfers and Grants		28 128	53 727	17 440	21 866	31 925	31 925	18 289	19 423	20 619
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		76 393	101 551	71 132	78 438	88 497	88 497	83 770	89 973	91 046

Table 39 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN222 uMngeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-		-	-	-	-	-	-	-
Current year receipts		43 831	44 911	50 028	53 371	53 371	53 371	62 148	67 044	66 756
Conditions met - transferred to revenue		43 831	44 911	50 028	53 371	53 371	53 371	62 148	67 044	66 756
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts		4 434	2 816	3 664	8 098	8 446	8 446	3 333	3 506	3 671
Conditions met - transferred to revenue		4 434	2 816	3 664	8 098	8 446	8 446	3 333	3 506	3 671
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts				-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities				-	-	-	-	-	-	-
Total operating transfers and grants revenue		48 265	47 728	53 692	61 469	61 817	61 817	65 481	70 550	70 427
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts		19 487	21 415	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Conditions met - transferred to revenue		19 487	21 415	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year				-	-	-	-	-	-	-
Current year receipts		8 084	32 962	-	-	-	-	-	-	-
Conditions met - transferred to revenue		8 084	32 962	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		27 571	54 377	6 852	21 866	21 866	21 866	18 289	19 423	20 619
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		75 836	102 104	60 544	83 335	83 683	83 683	83 770	89 973	91 046
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.7 Councillor and employee benefits

Table 40 MBRR SA22 - Summary of councillor and staff benefits

KZN222 uMngeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome A	Audited Outcome B	Audited Outcome C	Original Budget D	Adjusted Budget E	Full Year Forecast F	Budget Year 2017/18 G	Budget Year +1 2018/19 H	Budget Year +2 2019/20 I
R thousand										
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		5 745	6 119	7 237	7 446	7 446	7 446	7 901	8 367	8 852
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		5 745	6 119	7 237	7 446	7 446	7 446	7 901	8 367	8 852
% increase	4		6,5%	18,3%	2,9%	-	-	6,1%	5,9%	5,8%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 079	3 585	5 169	6 707	6 707	6 707	7 360	8 004	8 573
Pension and UIF Contributions		37	-	10	11	11	11	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	320	729	-	-	-	-	-	-	-
Cellphone Allowance	3	43	80	110	114	114	114	114	114	114
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	1 300	146	146	146	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		3 479	4 394	6 589	6 978	6 978	6 978	7 474	8 118	8 687
% increase	4		26,3%	50,0%	5,9%	-	-	7,1%	8,6%	7,0%
Other Municipal Staff										
Basic Salaries and Wages		42 602	53 036	45 917	58 589	55 714	55 714	64 651	69 241	74 157
Pension and UIF Contributions		8 910	10 365	11 069	10 191	12 327	12 327	13 969	14 961	16 023
Medical Aid Contributions		3 219	3 742	4 198	6 091	5 580	5 580	7 280	7 797	8 351
Overtime		3 918	5 563	5 587	6 016	5 574	5 574	6 218	6 659	7 132
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1 155	2 964	3 774	3 509	3 603	3 603	3 977	4 260	4 562
Cellphone Allowance	3	202	314	202	312	207	207	343	368	394
Housing Allowances	3	183	248	610	674	650	650	738	791	847
Other benefits and allowances	3	2 690	4 790	3 998	5 832	3 853	3 853	6 428	6 788	7 180
Payments in lieu of leave	3	3 102	2 376	2 939	3 309	3 309	3 309	3 511	3 718	3 934
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	1 534	736	781	781	829	878	928
Sub Total - Other Municipal Staff		65 979	83 397	79 826	95 261	91 599	91 599	107 944	115 461	123 509
% increase	4		26,4%	(4,3%)	19,3%	(3,8%)	-	17,8%	7,0%	7,0%
Total Parent Municipality		75 203	93 910	93 652	109 686	106 024	106 024	123 319	131 946	141 048
			24,9%	(0,3%)	17,1%	(3,3%)	-	16,3%	7,0%	6,9%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		75 203	93 910	93 652	109 686	106 024	106 024	123 319	131 946	141 048
% increase	4		24,9%	(0,3%)	17,1%	(3,3%)	-	16,3%	7,0%	6,9%
TOTAL MANAGERS AND STAFF	5,7	69 458	87 791	86 415	102 239	98 577	98 577	115 418	123 579	132 196

KZN222 uMngeni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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Table 42 MBRR SA24 – Summary of personnel numbers

KZN222 uMngeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		-	21	-	-	23	-	-	23	-
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	-	-	6	-	5	-	-	5	-
Other Managers	7	-	25	-	-	21	-	-	22	-
Professionals		-	6	-	-	6	-	-	6	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	4	-	-	4	-	-	4	-
Information Technology		-	1	-	-	1	-	-	1	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	1	-	-	1	-	-	1	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Technicians		-	79	-	-	79	-	-	83	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	79	-	-	79	-	-	83	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		-	86	-	-	86	-	-	89	-
Service and sales workers		-	19	-	-	19	-	-	19	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	10	-	-	10	-	-	10	-
Plant and Machine Operators		-	29	-	-	29	-	-	29	-
Elementary Occupations		-	150	-	-	150	-	-	1 130	-
TOTAL PERSONNEL NUMBERS	9	-	425	6	-	428	-	-	1 416	-
% increase					-	0,7%	(100,0%)	-	230,8%	-
Total municipal employees headcount	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-

2.8 Monthly targets for revenue, expenditure and cash flow

Table 43 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN222 uMngeni - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue By Source																
Property rates		17 475	22 238	14 252	14 012	14 594	15 357	14 931	14 238	14 712	14 831	14 067	13 899	184 606	195 498	206 837
Service charges - electricity revenue		7 990	10 403	6 924	5 601	6 196	5 142	5 152	5 012	8 161	5 146	6 012	6 836	78 576	80 305	82 071
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		581	571	452	490	485	476	495	471	490	495	404	439	5 848	5 837	6 176
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		63	62	56	58	59	71	67	50	69	70	69	68	763	762	806
Interest earned - external investments		172	270	686	174	373	171	175	170	274	175	177	114	2 929	3 102	3 282
Interest earned - outstanding debtors		128	198	181	196	165	125	177	170	182	192	163	201	2 079	2 202	2 330
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3 890	3 860	4 891	3 544	6 642	8 874	5 828	3 860	3 744	3 925	2 855	842	52 756	55 868	59 109
Licences and permits		697	317	261	242	364	268	218	274	291	211	252	255	3 649	3 865	4 089
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		18 000	-	3 000	7 314	-	16 167	-	-	15 000	-	6 000	-	65 481	70 550	70 427
Other revenue		818	798	272	839	428	808	849	485	839	349	601	481	7 565	8 084	8 553
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		49 814	38 717	30 974	32 471	29 306	47 459	27 891	24 731	43 762	25 393	30 601	23 135	404 253	426 073	443 679
Expenditure By Type																
Employee related costs		9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	111 876	118 710	126 989
Remuneration of councillors		658	658	658	658	658	658	658	658	658	658	658	658	7 901	8 367	8 852
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	33 346	33 346	35 314	37 363
Depreciation & asset impairment		2 562	2 562	2 562	2 562	2 562	2 562	2 562	2 562	2 562	2 562	2 562	2 562	30 741	32 555	34 443
Finance charges		-	-	1 352	-	-	1 352	-	-	1 352	-	-	1 352	5 409	5 728	6 060
Bulk purchases		8 191	15 540	5 509	7 429	8 970	7 588	8 991	8 509	9 788	8 747	8 646	9 365	107 273	109 633	112 045
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		1 220	1 868	1 232	1 029	1 323	1 135	1 020	1 132	1 035	1 240	1 354	1 190	14 778	15 650	16 558
Transfers and subsidies		259	460	258	287	259	310	380	259	285	301	359	313	3 730	3 951	4 180
Other expenditure		11 035	7 546	7 250	6 451	8 524	6 254	5 725	7 854	6 543	7 246	3 543	10 872	88 844	94 060	93 999
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		33 249	37 958	28 144	27 739	31 620	29 182	28 660	30 297	31 546	30 077	26 445	68 982	403 898	423 968	440 489
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	3 575	-	-	7 846	-	-	-	6 868	-	-	-	18 289	19 423	20 619
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)																
	1	16 566	4 334	2 830	4 731	5 532	18 277	(768)	(5 565)	19 084	(4 684)	4 155	(45 847)	18 645	21 528	23 810

Table 44 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN222 uMngeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue by Vote																
Vote 1 - Executive and Council		32 550	22 236	17 903	16 863	18 706	14 393	17 020	15 236	21 863	16 020	16 334	26 263	235 387	250 937	266 322
Vote 2 - Finance		1 905	–	192	234	202	200	195	305	192	202	202	1 600	5 432	5 980	6 213
Vote 3 - Corporate Services		88	103	95	142	56	114	152	89	103	68	89	95	1 194	1 219	1 289
Vote 4 - Planning Services		58	57	69	59	59	57	60	57	59	2 460	62	71	3 128	3 312	3 504
Vote 5 - Community Services		3 890	3 860	4 891	3 544	4 642	6 874	5 828	3 860	3 744	3 925	2 855	2 879	50 793	53 766	56 846
Vote 6 - Technical Services		11 323	12 461	7 824	11 627	5 641	25 822	4 636	5 185	17 799	2 717	11 059	10 515	126 609	130 283	130 124
Vote 7 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		49 814	38 717	30 974	32 471	29 306	47 459	27 891	24 731	43 762	25 393	30 601	41 424	422 542	445 496	464 298
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		3 948	3 875	3 901	4 424	3 985	3 912	3 501	3 875	3 315	3 059	3 153	3 298	44 246	46 954	49 791
Vote 2 - Finance		3 734	4 691	4 059	5 777	3 756	3 712	4 799	3 691	4 777	3 799	5 842	6 030	54 668	58 241	61 729
Vote 3 - Corporate Services		1 622	2 581	1 926	1 662	1 642	1 602	1 683	1 581	1 662	1 683	1 723	13 163	32 532	34 829	36 956
Vote 4 - Planning Services		536	1 680	633	1 560	1 575	899	716	664	861	1 572	576	1 471	12 743	13 597	14 527
Vote 5 - Community Services		4 622	5 581	3 926	4 662	5 642	4 602	5 683	5 581	4 662	3 683	5 723	6 965	61 333	65 251	69 371
Vote 6 - Technical Services		18 787	19 549	13 698	9 654	15 019	14 455	12 278	14 904	16 267	16 281	9 427	38 055	198 375	205 096	208 114
Vote 7 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		33 249	37 958	28 144	27 739	31 620	29 182	28 660	30 297	31 546	30 077	26 445	68 982	403 898	423 968	440 489
Surplus/(Deficit) before assoc.		16 566	759	2 830	4 731	(2 314)	18 277	(768)	(5 565)	12 216	(4 684)	4 155	(27 558)	18 645	21 528	23 810
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	16 566	759	2 830	4 731	(2 314)	18 277	(768)	(5 565)	12 216	(4 684)	4 155	(27 558)	18 645	21 528	23 810

Table 45 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN222 uMngeni - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue - Functional																
<i>Governance and administration</i>		34 455	22 236	18 095	17 098	18 909	14 593	17 215	15 541	22 056	16 222	16 536	50 099	263 054	279 413	296 406
Executive and council		32 550	22 236	17 903	16 863	18 706	14 393	17 020	15 236	21 863	16 020	16 334	24 347	233 471	248 908	264 176
Finance and administration		1 905	—	192	234	202	200	195	305	192	202	202	25 751	29 583	30 505	32 231
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		159	57	2 169	360	59	58	61	57	60	461	62	92	3 655	3 847	4 032
Community and social services		158	57	2 169	359	59	57	60	57	59	460	62	91	3 648	3 839	4 024
Sport and recreation		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		442	10 632	3 284	1 305	7 905	57	5 382	1 342	6 927	2 460	9 474	1 335	50 545	53 527	56 632
Planning and development		58	57	69	59	59	57	60	57	59	2 460	62	71	3 128	3 312	3 504
Road transport		384	10 575	3 215	1 245	7 846	—	5 321	1 285	6 868	—	9 413	1 264	47 417	50 215	53 127
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		14 758	5 792	7 425	13 708	2 434	18 751	5 234	7 792	14 719	6 249	4 528	3 898	105 288	108 708	107 228
Energy sources		13 689	4 722	6 356	12 638	1 364	17 682	4 164	6 722	13 649	5 180	3 459	2 828	92 453	95 126	92 679
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		1 070	1 070	1 070	1 070	1 070	1 070	1 070	1 070	1 070	1 070	1 070	1 070	12 835	13 582	14 548
<i>Other</i>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		49 814	38 770	30 974	32 471	29 306	33 459	27 891	24 731	43 762	25 393	30 601	55 424	422 542	445 496	464 298
Expenditure - Functional																
<i>Governance and administration</i>		7 819	8 702	8 097	10 337	7 877	7 760	8 437	7 702	8 228	6 994	9 132	53 285	144 369	152 780	162 124
Executive and council		3 948	3 875	3 901	4 424	3 985	3 912	3 501	3 875	3 315	3 059	3 153	2 544	43 492	46 141	48 914
Finance and administration		3 734	4 691	4 059	5 777	3 756	3 712	4 799	3 691	4 777	3 799	5 842	50 605	99 243	104 889	111 337
Internal audit		136	136	136	136	136	136	136	136	136	136	136	136	1 634	1 749	1 872
<i>Community and public safety</i>		1 631	1 591	1 936	1 672	1 652	1 611	1 692	1 591	1 672	3 692	1 733	2 260	22 733	24 223	25 789
Community and social services		622	581	926	662	642	602	683	581	662	2 683	723	1 251	10 619	11 270	11 942
Sport and recreation		818	818	818	818	818	818	818	818	818	818	818	818	9 814	10 495	11 223
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		192	192	192	192	192	192	192	192	192	192	192	192	2 300	2 457	2 625
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		5 157	7 262	4 559	6 222	7 218	5 501	6 399	6 246	5 524	5 255	6 599	5 495	71 435	75 926	80 675
Planning and development		536	1 680	633	1 560	1 575	899	716	664	861	1 572	876	1 493	13 065	13 941	14 896
Road transport		4 622	5 581	3 926	4 662	5 642	4 602	5 683	5 581	4 662	3 683	5 723	4 002	58 370	61 985	65 779
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		241	241	241	241	241	241	241	241	241	241	241	162 703	165 354	171 032	171 894
Energy sources		—	—	—	—	—	—	—	—	—	—	—	135 258	135 258	138 989	137 814
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		241	241	241	241	241	241	241	241	241	241	241	241	2 893	3 093	3 306
Waste management		—	—	—	—	—	—	—	—	—	—	—	27 203	27 203	28 950	30 774
<i>Other</i>		—	—	—	—	—	—	—	—	—	—	—	6	6	7	7
Total Expenditure - Functional		14 849	17 795	14 832	18 473	16 988	15 113	16 769	15 779	15 665	16 182	17 705	223 748	403 898	423 968	440 489
Surplus/(Deficit) before assoc.		34 965	20 921	16 142	13 998	12 319	18 346	11 123	8 952	28 097	9 211	12 896	(168 325)	18 645	21 528	23 810
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	34 965	20 921	16 142	13 998	12 319	18 346	11 123	8 952	28 097	9 211	12 896	(168 325)	18 645	21 528	23 810

Table 46 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN222 uMngeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council													-	-	-	-
Vote 2 - Finance													-	-	-	-
Vote 3 - Corporate Services													-	-	-	-
Vote 4 - Planning Services													-	-	-	-
Vote 5 - Community Services													-	-	-	-
Vote 6 - Technical Services													-	-	-	-
Vote 7 -													-	-	-	-
Vote 8 -													-	-	-	-
Vote 9 -													-	-	-	-
Vote 10 -													-	-	-	-
Vote 11 -													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		-	-	87	-	-	-	-	99	-	-	-	-	186	197	208
Vote 2 - Finance		-	-	-	148	-	-	-	-	-	-	-	-	148	157	165
Vote 3 - Corporate Services		-	12	-	-	-	251	-	251	-	348	-	-	863	914	966
Vote 4 - Planning Services		-	-	121	-	-	-	-	-	-	-	-	-	121	129	136
Vote 5 - Community Services		-	-	-	-	-	-	266	-	-	-	-	-	266	282	298
Vote 6 - Technical Services		-	5 815	-	8 695	-	2 154	-	2 135	3 215	-	1 698	-	23 712	19 658	20 868
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	-	5 827	208	8 843	-	2 406	266	2 486	3 215	348	1 698	-	25 296	21 336	22 641
Total Capital Expenditure	2	-	5 827	208	8 843	-	2 406	266	2 486	3 215	348	1 698	-	25 296	21 336	22 641

Table 47 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN222 uMngeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		-	-	87	148	-	-	-	99	-	-	-	-	333	353	373
Executive and council		-	-	87	-	-	-	-	99	-	-	-	-	186	197	208
Finance and administration		-	-	-	148	-	-	-	-	-	-	-	-	148	157	165
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	266	-	-	-	-	-	266	282	298
Community and social services		-	-	-	-	-	-	266	-	-	-	-	-	266	282	298
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	5 815	121	5 695	-	2 154	-	2 135	2 490	-	-	-	18 410	19 552	20 755
Planning and development		-	-	121	-	-	-	-	-	-	-	-	-	121	129	136
Road transport		-	5 815	-	5 695	-	2 154	-	2 135	2 490	-	-	-	18 289	19 423	20 619
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	12	-	314	-	251	-	251	725	348	1 698	-	3 600	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	12	-	314	-	251	-	251	725	348	1 698	-	3 600	-	-
<i>Other</i>		-	-	-	2 686	-	-	-	-	-	-	-	-	2 686	1 149	1 216
Total Capital Expenditure - Functional	2	-	5 827	208	8 843	-	2 406	266	2 486	3 215	348	1 698	-	25 296	21 336	22 641
Funded by:																
National Government		-	5 815	-	5 695	-	2 154	-	2 135	2 490	-	-	-	18 289	19 423	20 619
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	5 815	-	5 695	-	2 154	-	2 135	2 490	-	-	-	18 289	19 423	20 619
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	12	208	3 148	-	251	266	351	725	348	1 698	-	7 007	1 913	2 022
Total Capital Funding		-	5 827	208	8 843	-	2 406	266	2 486	3 215	348	1 698	-	25 296	21 336	22 641

Table 48 MBRR SA30 - Budgeted monthly cash flow

KZN222 uMngeni - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source															
Property rates	15 728	20 015	12 827	12 611	13 134	13 821	13 438	12 815	13 241	13 348	12 661	12 509	166 146	175 948	186 153
Service charges - electricity revenue	7 191	9 362	6 232	5 041	5 577	4 628	4 637	4 511	7 345	4 631	5 411	6 152	70 718	72 274	73 864
Service charges - water revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	522	514	407	441	437	428	445	424	441	445	364	395	5 264	5 254	5 558
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	57	56	50	52	53	64	61	45	62	63	62	138	763	762	806
Interest earned - external investments	172	270	686	174	373	171	175	170	274	175	177	114	2 929	3 102	3 282
Interest earned - outstanding debtors	115	178	163	176	149	113	159	153	164	173	147	181	1 871	1 982	2 097
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	1 712	1 698	2 152	1 560	2 922	3 904	2 564	1 698	1 648	1 727	1 256	371	23 213	24 582	26 008
Licences and permits	697	317	261	242	364	268	218	274	291	211	252	255	3 649	3 865	4 089
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer receipts - operational	18 000	—	3 000	7 314	—	16 167	—	—	15 000	—	6 000	—	65 481	70 550	70 427
Other revenue	736	718	244	755	386	727	764	437	755	314	541	433	6 809	7 276	7 698
Cash Receipts by Source	44 930	33 128	26 021	28 366	23 394	40 292	22 460	20 527	39 220	21 087	26 870	20 547	346 842	365 594	379 982
Other Cash Flows by Source															
Transfer receipts - capital	—	3 575	—	—	7 846	—	—	—	6 868	—	—	—	18 289	19 423	20 619
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind all)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Source	44 930	36 704	26 021	28 366	31 240	40 292	22 460	20 527	46 087	21 087	26 870	20 547	365 131	385 017	400 601
Cash Payments by Type															
Employee related costs	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	9 323	111 876	118 710	126 989
Remuneration of councillors	658	658	658	658	658	658	658	658	658	658	658	658	7 901	8 367	8 852
Finance charges	—	—	1 352	—	—	1 352	—	—	1 352	—	—	1 352	5 409	5 728	6 060
Bulk purchases - Electricity	8 191	15 540	5 509	7 429	8 970	7 588	8 991	8 509	9 788	8 747	8 646	9 365	107 273	109 633	112 045
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services	1 220	1 868	1 232	1 029	1 323	1 135	1 020	1 132	1 035	1 240	1 354	1 190	14 778	15 650	16 558
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	259	460	258	287	259	310	380	259	285	301	359	313	3 730	3 951	4 180
Other expenditure	11 035	7 546	7 250	6 451	8 524	6 254	5 725	7 854	6 543	7 246	3 543	10 872	88 844	94 060	93 999
Cash Payments by Type	30 687	35 396	25 582	25 178	29 058	26 620	26 098	27 735	28 984	27 515	23 884	33 074	339 811	356 098	368 683
Other Cash Flows/Payments by Type															
Capital assets	—	5 827	208	8 843	—	2 406	266	2 486	3 215	348	1 698	(9)	25 287	21 336	22 641
Repayment of borrowing	667	—	—	654	—	—	862	—	—	—	—	1 204	3 387	3 454	3 524
Other Cash Flows/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Payments by Type	31 353	41 223	25 790	34 674	29 058	29 026	27 226	30 221	32 198	27 863	25 581	34 269	368 485	380 889	394 848
NET INCREASE/(DECREASE) IN CASH HELD	13 577	(4 520)	231	(6 308)	2 182	11 266	(4 765)	(9 694)	13 889	(6 776)	1 289	(13 722)	(3 353)	4 128	5 753
Cash/cash equivalents at the month/year begin:	14 031	27 607	23 087	23 318	17 010	19 192	30 458	25 692	15 998	29 887	23 111	24 400	14 031	10 677	14 806
Cash/cash equivalents at the month/year end:	27 607	23 087	23 318	17 010	19 192	30 458	25 692	15 998	29 887	23 111	24 400	10 677	10 677	14 806	20 558

2.9 Annual budgets and Service Delivery Budget Implementation Plan – internal department

In terms of section 53(1)(c)(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget. The draft organisational SDBIP together with the departmental SDBIP's will be included in the final budget document

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, the following contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Table 52 MBRR SA32 – List of external mechanisms

KZN222 uMngeni - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Siva Chetty Attorneys			Debt Collection	31/04/2019	10% prof fee
GNG Attorneys			Debt Collection	31/04/2019	10% prof fee
Ngubane & Associates			Debt Collection	31/04/2019	10% prof fee
Lateral Unison Insurers			Short Term Insurance	31/10/2017	
Ntshidi & Associates			Vat Assessment Service	30/11/2017	
Walton's			Supply & Delivery of Stationery	28/02/2018	

2.10 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 53 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN222 uMgeni - Supporting Table SA34a Capital expenditure on new assets by asset class											
R thousand	Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			63 053	51 774	6 757	19 866	19 866	19 866	18 289	19 423	20 619
Roads Infrastructure			62 478	50 959	6 757	19 866	19 866	19 866	18 289	19 423	20 619
Roads			62 478	50 959	6 757	19 866	19 866	19 866	18 289	19 423	20 619
Road Structures			—	—	—	—	—	—	—	—	—
Road Furniture			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Storm water Infrastructure			—	—	—	—	—	—	—	—	—
Drainage Collection			—	—	—	—	—	—	—	—	—
Storm water Conveyance			—	—	—	—	—	—	—	—	—
Attenuation			—	—	—	—	—	—	—	—	—
Electrical Infrastructure			575	815	—	—	—	—	—	—	—
Power Plants			—	—	—	—	—	—	—	—	—
HV Substations			—	—	—	—	—	—	—	—	—
HV Switching Station			—	—	—	—	—	—	—	—	—
HV Transmission Conductors			575	815	—	—	—	—	—	—	—
MV Substations			—	—	—	—	—	—	—	—	—
MV Switching Stations			—	—	—	—	—	—	—	—	—
MV Networks			—	—	—	—	—	—	—	—	—
LV Networks			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Water Supply Infrastructure			—	—	—	—	—	—	—	—	—
Dams and Weirs			—	—	—	—	—	—	—	—	—
Boreholes			—	—	—	—	—	—	—	—	—
Reservoirs			—	—	—	—	—	—	—	—	—
Pump Stations			—	—	—	—	—	—	—	—	—
Water Treatment Works			—	—	—	—	—	—	—	—	—
Bulk Mains			—	—	—	—	—	—	—	—	—
Distribution			—	—	—	—	—	—	—	—	—
Distribution Points			—	—	—	—	—	—	—	—	—
PIEV Stations			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Sanitation Infrastructure			—	—	—	—	—	—	—	—	—
Pump Station			—	—	—	—	—	—	—	—	—
Retreatment			—	—	—	—	—	—	—	—	—
Waste Water Treatment Works			—	—	—	—	—	—	—	—	—
Outfall Sewers			—	—	—	—	—	—	—	—	—
Toilet Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure			—	—	—	—	—	—	—	—	—
Landfill Sites			—	—	—	—	—	—	—	—	—
Waste Transfer Stations			—	—	—	—	—	—	—	—	—
Waste Processing Facilities			—	—	—	—	—	—	—	—	—
Waste Drop-off Points			—	—	—	—	—	—	—	—	—
Waste Separation Facilities			—	—	—	—	—	—	—	—	—
Electricity Generation Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Rail Infrastructure			—	—	—	—	—	—	—	—	—
Rail Lines			—	—	—	—	—	—	—	—	—
Rail Structures			—	—	—	—	—	—	—	—	—
Rail Furniture			—	—	—	—	—	—	—	—	—
Drainage Collection			—	—	—	—	—	—	—	—	—
Storm water Conveyance			—	—	—	—	—	—	—	—	—
Attenuation			—	—	—	—	—	—	—	—	—
MV Substations			—	—	—	—	—	—	—	—	—
LV Networks			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Coastal Infrastructure			—	—	—	—	—	—	—	—	—
Sand Pumps			—	—	—	—	—	—	—	—	—
Piers			—	—	—	—	—	—	—	—	—
Revetments			—	—	—	—	—	—	—	—	—
Promenades			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure			—	—	—	—	—	—	—	—	—
Data Centres			—	—	—	—	—	—	—	—	—
Core Layers			—	—	—	—	—	—	—	—	—
Distribution Layers			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Community Assets			—	3 223	791	2 000	2 000	2 000	—	—	—
Community Facilities			—	—	—	—	—	—	—	—	—
Halls			—	—	—	—	—	—	—	—	—
Centres			—	—	—	—	—	—	—	—	—
Crèches			—	—	—	—	—	—	—	—	—
Clinics/Care Centres			—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations			—	—	—	—	—	—	—	—	—
Testing Stations			—	—	—	—	—	—	—	—	—
Museums			—	—	—	—	—	—	—	—	—
Galleries			—	—	—	—	—	—	—	—	—
Theatres			—	—	—	—	—	—	—	—	—
Libraries			—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria			—	—	—	—	—	—	—	—	—
Police			—	—	—	—	—	—	—	—	—
Parks			—	—	—	—	—	—	—	—	—
Public Open Space			—	—	—	—	—	—	—	—	—
Nature Reserves			—	—	—	—	—	—	—	—	—
Public Ablution Facilities			—	—	—	—	—	—	—	—	—
Markets			—	—	—	—	—	—	—	—	—
Stalls			—	—	—	—	—	—	—	—	—
Abattoirs			—	—	—	—	—	—	—	—	—
Airports			—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals			—	—	—	—	—	—	—	—	—
Capital Spares			—	3 223	791	2 000	2 000	2 000	—	—	—
Sport and Recreation Facilities			—	—	—	—	—	—	—	—	—
Indoor Facilities			—	—	—	—	—	—	—	—	—
Outdoor Facilities			—	3 223	791	2 000	2 000	2 000	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Heritage assets			30 614	—	9 934	—	16 759	16 759	—	—	—
Monuments			—	—	—	—	—	—	—	—	—
Historic Buildings			30 614	—	9 934	—	16 759	16 759	—	—	—
Works of Art			—	—	—	—	—	—	—	—	—
Conservation Areas			—	—	—	—	—	—	—	—	—
Other Heritage			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Revenue Generating			—	—	—	—	—	—	—	—	—
Improved Property			—	—	—	—	—	—	—	—	—
Unimproved Property			—	—	—	—	—	—	—	—	—
Non-revenue Generating			—	—	—	—	—	—	—	—	—
Improved Property			—	—	—	—	—	—	—	—	—
Unimproved Property			—	—	—	—	—	—	—	—	—
Other assets			—	—	—	—	—	—	—	—	—
Operational Buildings			—	—	—	—	—	—	—	—	—
Municipal Offices			—	—	—	—	—	—	—	—	—
Pay/Enquiry Points			—	—	322	1 182	1 454	1 454	2 107	1 913	2 022
Building Plan Offices			—	—	—	—	—	—	—	—	—
Workshops			—	—	1 206	6 100	—	—	4 900	—	—
Yards			—	—	—	—	—	—	—	—	—
Stores			—	—	—	—	—	—	—	—	—
Laboratories			—	—	—	—	—	—	—	—	—
Training Centres			—	—	—	—	—	—	—	—	—
Manufacturing Plant			—	—	—	—	—	—	—	—	—
Depots			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Housing			—	—	—	—	—	—	—	—	—
Staff Housing			—	—	—	—	—	—	—	—	—
Social Housing			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Intangible Assets			—	—	—	—	—	—	—	—	—
Services			—	—	—	—	—	—	—	—	—
Licences and Rights			—	—	—	—	—	—	—	—	—
Water Rights			—	—	—	—	—	—	—	—	—
Effluent Licences			—	—	—	—	—	—	—	—	—
Solid Waste Licences			—	—	—	—	—	—	—	—	—
Computer Software and Applications			—	—	—	—	—	—	—	—	—
Local Settlement Software Applications			—	—	—	—	—	—	—	—	—

Table 54 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN222 uMngeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment	10	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	1	-	-	-	-	-	-	-	-	-

Table 55 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN222 uMngeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class											
R thousand	Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			—	6 100	16 860	10 594	15 294	15 294	13 227	14 013	14 826
Roads Infrastructure			—	3 940	13 367	7 851	12 351	12 351	10 104	10 701	11 321
Roads			—	3 940	13 367	7 851	12 351	12 351	10 104	10 701	11 321
Road Structures			—	—	—	—	—	—	—	—	—
Road Furniture			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Storm water Infrastructure			—	—	—	157	157	157	167	177	187
Drainage Collection			—	—	—	—	—	—	—	—	—
Storm water Conveyance			—	—	—	157	157	157	167	177	187
Attenuation			—	—	—	—	—	—	—	—	—
Electrical Infrastructure			—	2 160	3 492	2 586	2 786	2 786	2 955	3 136	3 318
Power Plants			—	—	—	—	—	—	—	—	—
HV Substations			—	—	—	—	—	—	—	—	—
HV Switching Station			—	—	—	—	—	—	—	—	—
HV Transmission Conductors			—	2 160	3 492	2 586	2 786	2 786	2 955	3 136	3 318
MV Substations			—	—	—	—	—	—	—	—	—
MV Switching Stations			—	—	—	—	—	—	—	—	—
MV Networks			—	—	—	—	—	—	—	—	—
LV Networks			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Water Supply Infrastructure			—	—	—	—	—	—	—	—	—
Dams and Weirs			—	—	—	—	—	—	—	—	—
Boreholes			—	—	—	—	—	—	—	—	—
Reservoirs			—	—	—	—	—	—	—	—	—
Pump Stations			—	—	—	—	—	—	—	—	—
Water Treatment Works			—	—	—	—	—	—	—	—	—
Bulk Mains			—	—	—	—	—	—	—	—	—
Distribution			—	—	—	—	—	—	—	—	—
Distribution Points			—	—	—	—	—	—	—	—	—
PRV Stations			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Sanitation Infrastructure			—	—	—	—	—	—	—	—	—
Pump Station			—	—	—	—	—	—	—	—	—
Reticulation			—	—	—	—	—	—	—	—	—
Waste Water Treatment Works			—	—	—	—	—	—	—	—	—
Outfall Sewers			—	—	—	—	—	—	—	—	—
Toilet Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure			—	—	—	—	—	—	—	—	—
Landfill Sites			—	—	—	—	—	—	—	—	—
Waste Transfer Stations			—	—	—	—	—	—	—	—	—
Waste Processing Facilities			—	—	—	—	—	—	—	—	—
Waste Drop-off Points			—	—	—	—	—	—	—	—	—
Waste Separation Facilities			—	—	—	—	—	—	—	—	—
Electricity Generation Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Rail Infrastructure			—	—	—	—	—	—	—	—	—
Rail Lines			—	—	—	—	—	—	—	—	—
Rail Structures			—	—	—	—	—	—	—	—	—
Rail Furniture			—	—	—	—	—	—	—	—	—
Drainage Collection			—	—	—	—	—	—	—	—	—
Storm water Conveyance			—	—	—	—	—	—	—	—	—
Attenuation			—	—	—	—	—	—	—	—	—
MV Substations			—	—	—	—	—	—	—	—	—
LV Networks			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Coastal Infrastructure			—	—	—	—	—	—	—	—	—
Sand Pumps			—	—	—	—	—	—	—	—	—
Piers			—	—	—	—	—	—	—	—	—
Revetments			—	—	—	—	—	—	—	—	—
Promenades			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure			—	—	—	—	—	—	—	—	—
Data Centres			—	—	—	—	—	—	—	—	—
Core Layers			—	—	—	—	—	—	—	—	—
Distribution Layers			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Community Assets			—	683	1 899	3 188	1 587	1 587	2 565	2 716	2 874
Community Facilities			—	376	1 586	2 373	772	772	1 700	1 800	1 904
Halls			—	107	1 391	1 706	105	105	1 000	1 059	1 121
Centres			—	—	—	—	—	—	—	—	—
Crèches			—	—	—	—	—	—	—	—	—
Clinics/Care Centres			—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations			—	—	—	—	—	—	—	—	—
Testing Stations			—	—	—	—	—	—	—	—	—
Museums			—	—	—	—	—	—	—	—	—
Galleries			—	—	—	—	—	—	—	—	—
Theatres			—	—	—	—	—	—	—	—	—
Libraries			—	269	165	414	414	414	432	457	484
Cemeteries/Crematoria			—	—	27	—	—	—	—	—	—
Police			—	—	3	262	262	262	268	284	300
Parks			—	—	—	—	—	—	—	—	—
Public Open Space			—	—	—	—	—	—	—	—	—
Nature Reserves			—	—	—	—	—	—	—	—	—
Public Ablution Facilities			—	—	—	—	—	—	—	—	—
Markets			—	—	—	—	—	—	—	—	—
Stalls			—	—	—	—	—	—	—	—	—
Abattoirs			—	—	—	—	—	—	—	—	—
Airports			—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities			—	307	313	815	815	815	865	916	969
Indoor Facilities			—	—	—	—	—	—	—	—	—
Outdoor Facilities			—	307	313	815	815	815	865	916	969
Capital Spares			—	—	—	—	—	—	—	—	—
Heritage assets			—	—	—	—	—	—	—	—	—
Monuments			—	—	—	—	—	—	—	—	—
Historic Buildings			—	—	—	—	—	—	—	—	—
Works of Art			—	—	—	—	—	—	—	—	—
Conservation Areas			—	—	—	—	—	—	—	—	—
Other Heritage			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Revenue Generating			—	—	—	—	—	—	—	—	—
Improved Property			—	—	—	—	—	—	—	—	—
Unimproved Property			—	—	—	—	—	—	—	—	—
Non-revenue Generating			—	—	—	—	—	—	—	—	—
Improved Property			—	—	—	—	—	—	—	—	—
Unimproved Property			—	—	—	—	—	—	—	—	—
Other assets			—	—	—	—	—	—	4 161	4 614	4 881
Operational Buildings			—	—	—	—	—	—	4 161	4 614	4 881
Municipal Offices			—	—	—	—	—	—	—	—	—
Pay/Enquiry Points			—	—	—	—	—	—	4 161	4 614	4 881
Building Plan Offices			—	—	—	—	—	—	—	—	—
Workshops			—	—	—	—	—	—	—	—	—
Yards			—	—	—	—	—	—	—	—	—
Stores			—	—	—	—	—	—	—	—	—
Laboratories			—	—	—	—	—	—	—	—	—
Training Centres			—	—	—	—	—	—	—	—	—
Manufacturing Plant			—	—	—	—	—	—	—	—	—
Depots			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Housing			—	—	—	—	—	—	—	—	—
Staff Housing			—	—	—	—	—	—	—	—	—
Social Housing			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Intangible Assets			—	—	—	—	—	—	—	—	—
Services			—	—	—	—	—	—	—	—	—
Licences and Rights			—	—							

Table 56 MBRR SA35 - Future financial implications of the capital budget

KZN222 uMngeni - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
Capital expenditure	1							
Vote 1 - Executive and Council		186	197	208				
Vote 2 - Finance		148	157	165				
Vote 3 - Corporate Services		863	914	966				
Vote 4 - Planning Services		121	129	136				
Vote 5 - Community Services		266	282	298				
Vote 6 - Technical Services		23 712	19 658	20 868				
Vote 7 -		-	-	-				
Vote 8 -		-	-	-				
Vote 9 -		-	-	-				
Vote 10 -		-	-	-				
Vote 11 -		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		25 296	21 336	22 641	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive and Council								
Vote 2 - Finance								
Vote 3 - Corporate Services								
Vote 4 - Planning Services								
Vote 5 - Community Services								
Vote 6 - Technical Services								
Vote 7 -								
Vote 8 -								
Vote 9 -								
Vote 10 -								
Vote 11 -								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		25 296	21 336	22 641	-	-	-	-

Table 57 MBRR SA36 - Detailed capital budget per municipal vote

KZN222 uMngeni - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Mpophomi Roads and Storm Water Wards 8,9, 10 and 11																
Mandela Capture Site									-	2 405	12 000	11 000	-	-	8,9,10 &11	New
Zenzani									-	8 756	16 759	-	-	-		4 New
Lidgeton West									-	478	2 000	1 000	-	-		3 New
Lions Rivers									-	69	1 500	850	-	-		4 New
Tumbleweed									-	470	1 000	700	-	-		4 New
Emandlani									-	41	1 000	1 000	-	-		6 New
Cedara									-	50	500	500	-	-		6 New
Hiltonian Society Ph 3									-	-	1 000	2 439	-	-		5 New
Sphumelele									-	-	-	300	-	-		12 New
MIG PROJECT									-	523	866	500	-	-		1 New
FURNITURE AND FITTINGS									-	-	-	-	19 423	20 619		0 New
8 ton flat & drop side truck (Parks Gardens)									-	3 844	1 454	1 807	1 913	2 022		0 New
3 Traktbr (Parks Gardens)									-	772	-	700	-	-		0 New
Refuse Truck (s)									-	-	-	900	-	-		0 New
Lidgeton West Mpophomi Sportfields									-	927	-	3 600	-	-		0 New
Lidgeton West Mpophomi Sportfields									-	674	2 000	-	-	-		0 New
Parent Capital expenditure	1											25 296	21 336	22 641		
Entities: <i>List all capital projects grouped by Entity</i>																
Entity A									-	-	-	-	-	-	0	0
Water project A									-	-	-	-	-	-	0	0
Entity B									-	-	-	-	-	-	0	0
Electricity project B									-	-	-	-	-	-	0	0
									-	-	-	-	-	-	0	0
									-	-	-	-	-	-	0	0
Entity Capital expenditure									-	-	-	-	-	-	0	0
Total Capital expenditure										19 010	40 079	25 296	21 336	22 641		

Table 58 MBRR SA37 - Projects delayed from previous financial year

KZN222 uMngeni - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name <i>Project name</i>												

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name <i>Project name</i>												

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 10 interns through this programme and a majority of them were appointed either in uMngeni Municipality or other municipalities.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2017/2018 MTREF in June 2017 directly aligned and informed by the 2017/18 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 59 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN222 uMngeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	145 229	155 112	201 032	210 787	207 287	207 287	207 287	219 932	232 908	246 417
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		33 598	35 613	46 172	34 275	33 295	33 295	33 295	35 326	37 410	39 580
Net Property Rates		111 632	119 499	154 860	176 512	173 993	173 993	173 993	184 606	195 498	206 837
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	51 842	52 718	56 672	76 884	76 884	76 884	76 884	78 576	80 305	82 071
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—	—
Net Service charges - electricity revenue		51 842	52 718	56 672	76 884	76 884	76 884	76 884	78 576	80 305	82 071
Service charges - water revenue											
Total Service charges - water revenue	6										
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—	—
Net Service charges - water revenue		—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—	—
Net Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue											
Total refuse removal revenue	6	4 619	5 049	5 815	11 002	11 002	11 002	11 002	11 673	11 651	12 327
Total landfill revenue					—	—	—	—			
less Revenue Foregone (in excess of one removal a week to indigent households)			—		5 489	5 489	5 489	5 489	5 824	5 813	6 151
less Cost of Free Basis Services (removed once a week to indigent households)		—	—	—	—	—	—	—	—	—	—
Net Service charges - refuse revenue		4 619	5 049	5 815	5 512	5 512	5 512	5 512	5 848	5 837	6 176
Other Revenue by source											
BUILDING PLAN FEES		1 988	2 037	1 533	2 044	1 431	1 431	1 431	1 518	1 608	1 701
VALUATION & OBJECTION FEES		—	197	15	65	3	3	3	3	69	73
SHARED SERVICES		323	572	435	595	2 521	2 521	2 521	3 017	3 195	3 381
RECONNECTION FEES		377	588	155	1 037	311	311	311	330	349	370
RATES CERTIFICATES		—	239	265	402	318	318	318	357	378	400
MISCELLANEOUS INCOME		218	158	189	355	177	177	177	188	199	211
HALL HIRE		205	220	195	301	196	196	196	208	220	233
LGSETA		66	89	36	177	177	177	177	188	199	211
BURIAL FEES		38	33	48	68	68	68	68	72	76	81
STOP ORDER COMMISSION		—	41	44	43	43	43	43	46	49	52
INSURANCE CLAIMS RECEIVED		—	148	—	226	—	—	—	—	—	—
Other Revenue	3	1 433	5 343	790	2 059	1 626	1 626	1 626	1 638	1 741	1 842
Total 'Other' Revenue	1	4 647	9 665	3 703	7 372	6 871	6 871	6 871	7 565	8 084	8 553

Table 59 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	45 680	53 036	54 969	65 026	62 150	62 150	62 150	68 448	73 307	78 512
Pension and UIF Contributions		10 438	10 365	11 069	10 202	12 338	12 338	12 338	13 654	14 623	15 662
Medical Aid Contributions		3 219	3 742	4 198	6 183	5 672	5 672	5 672	6 853	7 340	7 861
Overtime		3 918	5 563	5 587	6 114	5 672	5 672	5 672	6 218	6 659	7 132
Performance Bonus		—	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		1 475	2 964	3 774	3 556	3 650	3 650	3 650	3 977	4 260	4 562
Cellphone Allowance		202	314	311	426	321	321	321	343	368	394
Housing Allowances		226	248	610	674	650	650	650	738	791	847
Other benefits and allowances		821	7 166	6 918	6 012	4 033	4 033	4 033	7 304	6 765	7 156
Payments in lieu of leave		—	—	—	3 309	3 309	3 309	3 309	3 511	3 718	3 934
Long service awards		—	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	736	781	781	781	829	878	928
sub-total	4	65 979	83 397	87 437	102 239	98 577	98 577	98 577	111 876	118 710	126 989
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	65 979	83 397	87 437	102 239	98 577	98 577	98 577	111 876	118 710	126 989
Contributions recognised - capital											
<i>List contributions by contract</i>											
		—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—	—
Total Contributions recognised - capital		—	—	—	—	—	—	—	—	—	—
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		37 598	41 825	42 805	28 974	28 974	28 974	28 974	30 741	32 555	34 443
Lease amortisation		—	—	—	—	—	—	—	—	—	—
Capital asset impairment		—	—	—	—	—	—	—	—	—	—
Depreciation resulting from revaluation of PPE		—	—	—	—	—	—	—	—	—	—
Total Depreciation & asset impairment	10	37 598	41 825	42 805	28 974	28 974	28 974	28 974	30 741	32 555	34 443
Bulk purchases											
Electricity Bulk Purchases		65 893	72 286	83 792	95 404	103 404	103 404	103 404	107 273	109 633	112 045
Water Bulk Purchases		—	—	—	—	—	—	—	—	—	—
Total bulk purchases	1	65 893	72 286	83 792	95 404	103 404	103 404	103 404	107 273	109 633	112 045
Transfers and grants											
Cash transfers and grants		—	—	—	3 516	3 516	3 516	3 516	3 730	3 951	4 180
Non-cash transfers and grants		—	—	—	—	—	—	—	—	—	—
Total transfers and grants	1	—	—	—	3 516	3 516	3 516	3 516	3 730	3 951	4 180
Contracted services											
ESKOM		1 950	3 110	—	—	—	—	—	—	—	—
EPS		—	—	—	—	—	—	—	—	—	—
PATROLS & SECURITY		—	—	6 347	6 903	6 903	6 903	6 903	7 324	7 756	8 206
POUND SERVICE RENDERED		—	—	180	226	226	226	226	239	253	268
ROCK POWER LINE SERVICES		—	—	6 942	6 800	6 800	6 800	6 800	7 215	7 641	8 084
sub-total	1	1 950	3 110	13 469	13 929	13 929	13 929	13 929	14 778	15 650	16 558
Allocations to organs of state:											
Electricity		—	—	—	—	—	—	—	—	—	—
Water		—	—	—	—	—	—	—	—	—	—
Sanitation		—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
Total contracted services		1 950	3 110	13 469	13 929	13 929	13 929	13 929	14 778	15 650	16 558

SA1 Continued

Other Expenditure By Type											
Collection costs		3 560	721	885	546	964	964	964	1 023	1 083	1 146
Contributions to 'other' provisions		–	–	–	425	425	425	425	450	477	505
Consultant fees		155	7 784	6 380	5 570	5 613	5 613	5 613	5 955	6 307	6 673
Audit fees		1 282	1 130	1 229	1 385	1 485	1 485	1 485	1 576	1 669	1 766
General expenses	3	51 319	15 090	12 438	18 308	19 950	19 950	19 950	18 430	20 466	21 651
GRANTS EXPENDITURE		–	7 162	8 788	11 881	11 549	11 549	11 549	11 033	10 461	5 626
ASSET REGISTER MANAGEMENT		3 718	625	16	2 132	1 632	1 632	1 632	1 732	1 834	1 940
REPAIRS AND MAINTENANCE		3 012	12 347	21 868	21 861	20 554	20 554	20 554	23 593	25 204	26 594
ELECTRICITY		4 224	4 513	5 185	6 477	5 948	5 948	5 948	6 484	6 897	7 297
MAINTENANCE OF COMPUTER SERVICES		155	406	508	524	1 795	1 795	1 795	2 048	2 169	2 295
LEASE RENTALS ON OPERATING LEASE		1 464	2 994	5 254	256	236	236	236	250	271	287
PURCHASE OF STATIONERY		256	544	416	494	444	444	444	472	499	528
LEGAL FEES		460	88	644	546	1 096	1 096	1 096	663	702	743
BANK CHARGES		692	684	720	696	796	796	796	845	894	946
PURCHASE OF CLEANING MATERIALS		71	69	58	–	1 000	1 000	1 000	94	99	105
POSTAGES		1 066	1 126	1 105	1 422	1 422	1 422	1 422	1 509	1 598	1 691
COMMUNICATION EXPENSE		374	425	651	850	950	950	950	1 008	1 067	1 129
HIRING OF VEHICLE SYS		321	1 625	1 669	1 929	2 279	2 279	2 279	2 018	2 101	2 223
FIRE FIGHTING SERVICE		236	263	398	444	444	444	444	471	499	528
VALUATION ROLL EXPENSE		1 572	2 669	2 513	1 967	1 897	1 897	1 897	2 012	2 131	2 255
ADVERTISING		330	497	549	570	507	507	507	551	584	618
BANK DEPOSIT SERVICES		94	73	86	500	945	945	945	106	112	118
INSURANCE		393	460	442	498	296	296	296	386	438	465
IDP EXPENDITURE		57	684	277	650	450	450	450	477	506	535
TELEPHONE AND FAX		1 230	1 377	1 464	1 584	1 599	1 599	1 599	1 682	1 780	1 882
YOUTH CO-ORD PROGRAMMES		708	508	1 279	3 680	3 680	3 680	3 680	1 642	1 739	1 840
TMT EXPENSES		3 560	2 557	1 411	2 949	1 699	1 699	1 699	2 334	2 471	2 615
Total 'Other' Expenditure	1	80 311	66 422	76 233	88 142	89 655	89 655	89 655	88 844	94 060	93 999
by Expenditure Item											
Employee related costs	8	–	–	–	–	–	–	–	–	–	–
Other materials		–	–	–	–	–	–	–	–	–	–
Contracted Services		–	–	–	–	–	–	–	–	–	–
Other Expenditure		6 333	12 347	21 868	21 861	20 554	20 554	20 554	23 593	25 204	26 594
Total Repairs and Maintenance Expenditure	9	6 333	12 347	21 868	21 861	20 554	20 554	20 554	23 593	25 204	26 594

SA1 Continued

Table 60 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN222 uMngeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Finance	Vote 3 - Corporate Services	Vote 4 - Planning Services	Vote 5 - Community Services	Vote 6 - Technical Services	Vote 7 -	Vote 8 -	Vote 9 -	Vote 10 -	Vote 11 -	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		184 606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	184 606
Service charges - electricity revenue		-	-	-	-	-	78 576	-	-	-	-	-	-	-	-	-	78 576
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	5 848	-	-	-	-	-	-	-	-	-	5 848
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	763	-	-	-	-	-	-	-	-	-	763
Interest earned - external investments		-	2 929	-	-	-	-	-	-	-	-	-	-	-	-	-	2 929
Interest earned - outstanding debtors		2 079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 079
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		8 976	-	-	-	43 779	-	-	-	-	-	-	-	-	-	-	52 756
Licences and permits		-	-	-	-	3 649	-	-	-	-	-	-	-	-	-	-	3 649
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		746	790	425	3 128	20	2 456	-	-	-	-	-	-	-	-	-	7 565
Transfers and subsidies		38 978	1 700	-	-	3 333	21 470	-	-	-	-	-	-	-	-	-	65 481
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		235 387	5 419	425	3 128	50 782	109 113	-	-	-	-	-	-	-	-	-	404 253
Expenditure By Type																	
Employee related costs		15 042	16 207	10 226	10 659	8 835	50 908	-	-	-	-	-	-	-	-	-	111 876
Remuneration of councillors		7 901	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 901
Debt impairment		-	-	-	-	23 956	9 389	-	-	-	-	-	-	-	-	-	33 346
Depreciation & asset impairment		-	30 741	-	-	-	-	-	-	-	-	-	-	-	-	-	30 741
Finance charges		-	-	-	-	-	5 409	-	-	-	-	-	-	-	-	-	5 409
Bulk purchases		-	-	-	-	-	107 273	-	-	-	-	-	-	-	-	-	107 273
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		239	-	-	-	7 324	7 215	-	-	-	-	-	-	-	-	-	14 778
Transfers and subsidies		-	-	-	-	-	3 730	-	-	-	-	-	-	-	-	-	3 730
Other expenditure		21 064	7 720	22 306	2 085	21 219	14 451	-	-	-	-	-	-	-	-	-	88 844
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		44 246	54 668	32 532	12 743	61 333	198 375	-	-	-	-	-	-	-	-	-	403 898
Surplus/(Deficit)		191 141	(49 249)	(32 107)	(9 616)	(10 552)	(89 262)	-	-	-	-	-	-	-	-	-	356
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	18 289	-	-	-	-	-	-	-	-	-	18 289
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		191 141	(49 249)	(32 107)	(9 616)	(10 552)	(70 973)	-	-	-	-	-	-	-	-	-	18 645

Table 61 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN222 uMngeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

NZ2222 urgent - Supporting Table GAS supporting detail to Budgeted Financial Position								2017/18 Medium Term Revenue & Expenditure Framework			
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
R thousand											
ASSETS											
Call investment deposits											
Call deposits		29 798	38 548	33 038	18 160	11 081	11 081	11 081	8 423	11 284	16 574
Other current investments		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	29 798	38 548	33 038	18 160	11 081	11 081	11 081	8 423	11 284	16 574
Consumer debtors											
Consumer debtors		32 515	31 354	45 656	64 315	49 765	49 765	49 765	47 774	45 863	44 029
Less: Provision for debt impairment		-	-	-	-	-	-	-	-	-	-
Total Consumer debtors	2	32 515	31 354	45 656	64 315	49 765	49 765	49 765	47 774	45 863	44 029
Debt impairment provision											
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-	-
Contributions to the provision		-	-	-	-	-	-	-	-	-	-
Bad debts written off		32 338	-	-	-	-	-	-	-	-	-
Balance at end of year		32 338	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		775 394	788 876	765 379	778 784	776 485	776 485	776 485	790 666	810 089	830 708
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	-	-	-	-	-	-	-	-	-
Total Property, plant and equipment (PPE)	2	775 394	788 876	765 379	778 784	776 485	776 485	776 485	790 666	810 089	830 708
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		4 234	4 263	3 387	2 805	2 805	2 805	2 805	3 387	3 454	3 524
Total Current liabilities - Borrowing		4 234	4 263	3 387	2 805	2 805	2 805	2 805	3 387	3 454	3 524
Trade and other payables											
Trade and other creditors		24 300	18 943	29 025	17 048	17 048	17 048	17 048	16 196	15 710	15 396
Unspent conditional transfers		17 831	22 223	-	-	-	-	-	-	-	-
VAT		705	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2	42 836	41 166	29 025	17 048	17 048	17 048	17 048	16 196	15 710	15 396
Non current liabilities - Borrowing											
Borrowing		31 672	29 453	26 621	26 372	26 372	26 372	26 372	22 985	19 530	16 007
Finance leases (including PPP asset element)		1 392	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing	4	33 064	29 453	26 621	26 372	26 372	26 372	26 372	22 985	19 530	16 007
Provisions - non-current											
Retirement benefits		21 715	-	-	-	-	-	-	-	-	-
List other major provision items											
Refuse landfill site rehabilitation		16 556	18 117	-	-	-	-	-	-	-	-
Other		6 140	30 832	55 649	19 747	19 747	19 747	19 747	21 129	22 820	24 645
Total Provisions - non-current		44 411	48 948	55 649	19 747	19 747	19 747	19 747	21 129	22 820	24 645
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		-	617 926	-	-	-	-	-	-	-	-
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		-	617 926	-	-	-	-	-	-	-	-
Surplus/(Deficit)		2 436	26 547	(22 522)	22 373	32 078	32 078	32 078	18 645	21 528	23 810
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	2 436	644 473	(22 522)	22 373	32 078	32 078	32 078	18 645	21 528	23 810
Reserves											
Housing Development Fund		15 108	15 108	15 108	15 108	15 108	15 108	15 108	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		127 471	127 471	127 471	241 292	241 292	241 292	241 292	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	142 579	142 579	142 579	256 400	256 400	256 400	256 400	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	145 015	787 052	120 057	278 774	288 478	288 478	288 478	18 645	21 528	23 810

Table 62 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN222 uMngeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						92 710	92 710	92 710	92 710	92 710	92 710	92 710
Females aged 5 - 14						7 162	7 162	7 162	7 162	7 162	7 162	7 162
Males aged 5 - 14						7 368	7 368	7 368	7 368	7 368	7 368	7 368
Females aged 15 - 34						17 157	17 157	17 157	17 157	17 157	17 157	17 157
Males aged 15 - 34						17 759	17 759	17 759	17 759	17 759	17 759	17 759
Unemployment						9 711	9 711	9 711	9 711	9 711	9 711	9 711
Monthly household income (no. of households)	1, 12											
No income						33 287	33 287	33 287	33 287	33 287	33 287	33 287
R1 - R1 600						12 987	12 987	12 987	12 987	12 987	12 987	12 987
R1 601 - R3 200						8 575	8 575	8 575	8 575	8 575	8 575	8 575
R3 201 - R6 400						4 441	4 441	4 441	4 441	4 441	4 441	4 441
R6 401 - R12 800						4 124	4 124	4 124	4 124	4 124	4 124	4 124
R12 801 - R25 600						3 130	3 130	3 130	3 130	3 130	3 130	3 130
R25 601 - R51 200						1 501	1 501	1 501	1 501	1 501	1 501	1 501
R52 201 - R102 400						481	481	481	481	481	481	481
R102 401 - R204 800						176	176	176	176	176	176	176
R204 801 - R409 600						94	94	94	94	94	94	94
R409 601 - R819 200						-	-	-	-	-	-	-
> R819 200						-	-	-	-	-	-	-
Poverty profiles (no. of households)												
< R2 060 per household per month	13					19000,00	19000,00	19000,00	19000,00	19000,00	19000,00	19000,00
Insert description	2					0,00	0,00	0,00	0,00	0,00	0,00	0,00
Household demographics (000)												
Number of people in municipal area						93	93	93	93	93	93	93
Number of poor people in municipal area						-	-	-	-	-	-	-
Number of households in municipal area						30	30	30	30	30	30	30
Number of poor households in municipal area						-	-	-	-	-	-	-
Definition of poor household (R per month)						-	-	-	-	-	-	-
Housing statistics												
Formal	3					23 485	23 485	23 485	23 485	23 485	23 485	23 485
Informal						1 546	1 546	1 546	1 546	1 546	1 546	1 546
Total number of households						25 031	25 031	25 031	25 031	25 031	25 031	25 031
Dwellings provided by municipality	4					-	-	-	-	-	-	-
Dwellings provided by province/s						-	-	-	-	-	-	-
Dwellings provided by private sector	5					-	-	-	-	-	-	-
Total new housing dwellings						-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPI)	6											
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7											
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Table 63 MBRR SA32 – List of external mechanisms

KZN222 uMngeni - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Siva Chetty Attorneys			Debt Collection	31/04/2019	10% prof fee
GNG Attorneys			Debt Collection	31/04/2019	10% prof fee
Ngubane & Associates			Debt Collection	31/04/2019	10% prof fee
Lateral Unison Insurers			Short Term Insurance	31/10/2017	
Ntshidi & Associates			Vat Assessment Service	30/11/2017	
Walton's			Supply & Delivery of Stationery	28/02/2018	



MUNICIPAL NOTICE NO

DRAFT TARIFFS: 2017 / 2018 FINANCIAL YEAR

Notice is hereby given in terms of Section 75A (3) (b) of the Local Government: Municipal Systems Act (Act 32 of 2000), that uMngeni Municipal Council by Resolution taken onresolved to amend the following tariffs as indicated:

1. Refuse Removal Tariffs

- | | | |
|-----|-------------------------|---|
| (a) | Domestic Consumers | Free up to total market value per property of R200 000.
Consumers/Ratepayers with property values in excess of R200 000 will have a monthly charge of R61.19 |
| (b) | Commercial Consumers | R121.12 per 120ℓ bin per month
(One collection per week) |
| (c) | Government Institutions | R107.66 per bin 120ℓ per month
(One collection per week) |

Sectional title complexes that collect and transport domestic refuse to the landfill site for disposal must make application in writing to the Municipal Manager in order to qualify for reduced refuse removal tariffs subject to all necessary criteria being met.

The above tariff excludes Vat.

2. Electricity Tariffs

Domestic Consumers High on Conventional Meters

BLOCK 1: 0 – 50 Kwh	82c/kwh
BLOCK 2: 51 - 350 Kwh	103c/kwh
BLOCK 3: 351 – 600 Kwh	140c/kwh
BLOCK 4: 601 and above	169c/kwh
Basic Charge	R129.61 per month

Any domestic consumer in excess of 60 amps will attract the charge of R25.12 per amp per month

These tariffs are applicable in respect of all accounts rendered from 1 July 2017 irrespective of when meter readings were taken

Domestic Consumers Low on Prepaid Meters

BLOCK 1: 0 – 50 kwh	83c/kwh
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BLOCK 2: 51 - 350 kwh 108c/kwh

BLOCK 3: 351 – 600 kwh 146c/kwh

Domestic Consumers High on Prepaid Meters

BLOCK 1: 0 – 50 kwh 85c/kwh

BLOCK 2: 51 - 350 kwh 108c/kwh

BLOCK 3: 351 – 600 kwh 146c/kwh

BLOCK 4: 601 and above 172c/kwh

Commercial Consumers on Conventional Meters

Per kwh 97c/kwh

Basic Charge R24.58 per amp per month

These tariffs are applicable in respect of all accounts rendered from 1 July 2017 irrespective of when meter readings were taken.

Commercial Consumers on Prepaid Meters

Demand charge 176.43/kva

3. Deposits

(a) Domestic Consumers:

Electricity R1887.03

(a) All Other Consumers:

Electricity: Minimum deposit of R 6635.58 but will be

Based on 2 months consumption.

4. Final Meter Reading Fees

(a) Domestic Consumers: R 107.80 per reading on request

(b) All Other Consumers : R 209.60 per reading

5. Testing of Meters

(a) Domestic meters: R 1 484.00 per meter

(b) Commercial meters: R 2 332 per meter

The above tariff excludes Vat.

ELECTRICITY - STANDARD CONNECTIONS

Electricity: (Conventional & Prepaid) R7476.40 per connection.

Electricity (Convention to Pre-paid normal meter) R1200.00 per connection

Electricity: (Conversion to Pre-paid) R 778.54 per connection
 (The standard conversion tariff applies to indigent applicants only and the application must
 Be made for a 20 amp circuit breaker or lower)
 Domestic Circuit Breaker upgrades R1437.31 per change
 Any other Circuit Breaker upgrades are at cost plus 10 %

ELECTRICITY - OTHER CONNECTIONS

All other electricity connections, beyond the above standard connection are at cost + 20%.
 Conversion from conventional to prepaid above 20 amps is at cost + 20%.
 All new electricity, water and sewerage connections are made to the boundary of the property
 and not the dwelling, depending on the technical considerations.

The above tariff excludes Vat.

8. Disconnection/Reconnection and Tamper Fees

Electricity: Disconnection/Reconnection fee R 463.28
 Electricity:
 1st Offence R2994.39
 2nd Offence R4192.15
 3rd Offence Prosecution.

The above tariff excludes Vat.

9. Library Membership Fees

Adults R116.80 per annum
 Children (under 18) R73.64 per annum

The above tariff excludes Vat.

10. Clearance Certificates and Property Valuation Certificates & Objections

(a) Issuing of Clearance Certificates R203.39 per certificate.
 (b) Issuing of Property Valuation Certificates R 124.30 per certificate
 (c) Lodging of Objections: R340.00 per objection for Residential and Non-Residential Properties
 R680.00 per objection for Agricultural Properties
 Refundable if objection is upheld
 (d) Lodging of Appeals: R850.00 per appeal for all properties. Refundable if the appeal is upheld by the
 Valuations Appeals Board

The above tariff excludes Vat.

11. Building Plan Fees

Minor Works and Internal	R179.66
Alterations not affecting the floor area.	
New Buildings, erection or additions:	
(a) For first 20m ²	R 116.19
(b) For 21m ² - 50 ²	R194.03
(c) For 51m ² - 90m ²	R287.46
(d) For 91m ² and above.	R 1293.58 per 10m ²
	or part thereof save for a 50% reduction on bone fide farming structures utilized for farming purposes in excess 91m ² .
(e) Approval in principle	30% of Building Plan Fee.
(f) Swimming Pools	R263.51
(g) Drainage charge	R263.51
(h) Petrol, Diesel & Gas	R275.48
(i) Temporary Buildings	R190.44 for each 50m ² or part thereof.
(j) Pre-cast Concrete Boundary walls	R 177.74
not adjacent to a road boundary but exceeding 1,8 meters in height shall require the submission of an application with sketch plan.	
(k) Pre-cast Concrete Boundary walls	1/2% of the Value of the R129.36
adjacent to a road exceeding fence – Minimum 1,5 meters in height are subject to the submission of application forms and building plans.	
(l) Hoarding Fees: Deposit per frontage of 10m ² or part thereof	R2455.39

	Rental per frontage of 10m ² or part thereof	R 113.79
(m)	Encroachments	
	Balconies not used for living purposes or business purposes.	R 82.65 per 10m ² or part thereof.
	Balconies 75% enclosed and attached to business premises and not used or part thereof	R200.02 per 10m ²
	For business purposes.	
	Balconies used for licensed business purposes.	R874.12 per 10m ² or part thereof.
	Verandah's	R 85.04 per annum
	Servitudes and Reserves	R135.35 per annum per 10m or part thereof.

12. Town Planning Fees

(a) Subdivision

- Urban (1-5 Subs)	R 5084.82
- Urban (6-10 Subs)	R 5627.20
- Urban (Above 10 Subs)	R 6666.76
- Rural (1-5 Subs)	R 7367.34
- Rural (6-10 Subs)	R 8743.63
- Rural (Above 10 Subs)	R 9943.65

(b) Subdivision and Consolidation	R 6779.76
Consolidation	R 5084.82

(c) Special Consent

- Self contained unit with advertising	R 3615.87
- Self contained unit without advertising	R 1468.95
- Other Applications	R 4971.82

(d) Rezoning

- less than 1 ha	R 5084.82
- 1 ha but less than 5 ha	R 5627.20

- 5 ha but less than 10 ha	R 6666.76
- 1	
0 ha and above	R 8135.71
(e) Extension of Scheme	R 5084.82
Development Outside Scheme	
- 1 ha to 5 ha	R 5536.80
- 6 ha to 10 ha	R 6101.78
- 10 ha and above	R 6666.76

(f) Alteration, Suspension and Removal of restrictive

Conditions of title or conditions of establishment	R 4915.33
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If an applicant for any application is responsible for the advertising, circulation and postage, the application fee will be R 1599 plus VAT per application

(g) Closure of Roads/Open Spaces	R 5197.82
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(h) Amend, Phasing, or Cancellation of layouts	R 5197.82
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(g) Extension of scheme	R 5084.82
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(i) Enforcement

- Spot Fines – Any Illegal Use	R 1468.95
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- Thereafter per day	R 706.23
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(j) Spot Fine – Prohibited Use	R 1468.95
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- Thereafter per day	R 718.66
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(h) Other Fines:

- Fines as per section 75 and 89

of the PDA As per court order

- Additional penalties in accordance with section 76: As per court order

- Section 89 Civil Penalties 10 – 100% of value
of illegal building
Construction etc.

The above tariff excludes Vat.

13. Photocopies/Plotting Charges:

Copies made by scholars	R 0, 78
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A4 Photocopy per page	R 1, 25
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A3 Photocopy per page	R 2, 45
A1 G.I.S. print per page	R 4, 84
A4 Plotting costs	R 10, 96
A3 Plotting costs	R 36.17
A2 Plotting costs	R 54.08
A1 Plotting costs	R 96.12
A0 Plotting costs	R 197.63
AO+Plotting costs	R 210.55
CD Plotting costs	R 80.25
Digital Copies	R 44.91

Wide format Photocopying/plotting Charges

A0 size	R37.92
A1 size	R26.95
A2 size	R14.97
A3 size	R2.10
CD Plotting	R62.88

The above tariff excludes Vat

14. Landfill Site Tariffs

1. The tariff for the disposal of refuse at the Curry's Post Landfill Site;-
 - a) General domestic refuse, inert trade refuse, per 250kg or part thereof. R45.04
 - b) Mixed refuse (garden, domestic, trade refuse, including builder's rubble) R45.04
per 250kg or part thereof.
 - c) Industrial sludges, subject to agreement and approval by the Landfill R194.17
Manager per 250kg or part thereof.
 - d) Builder's rubble and excavated material per 250kg or part thereof; R14.70
 - e) Bulk food waste and condemned food per 250kg or part thereof; R42.01
 - f) Garden refuse, per 250kg or part thereof; R14.70
 - g) Finely divided excavated material with the maximum stone content of 10% R6.77
And maximum stone size of 100mm per 250kg or part thereof;
 - h) Sawdust and woodwaste, per 250kg or part thereof; R68.61
- Provided that no charge shall be payable for the disposal of :-
- i. Garden refuse by bona fide households where such refuse is conveyed R0.00
Motor cars, trailers with a normal capacity not greater than 0.5 tonne and

- Light delivery vehicles with a normal capacity not greater than 1 tonne and Deposited in the garden refuse containers.
- ii. Builder's rubble by bona fide householders and casual builders where such Rubble is conveyed in vehicles with a nominal capacity not greater than 1 Tonne and deposited in the demarcated area on the Landfill site. R0.00
 - iii. Garden refuse by bona fide householders where such refuse is conveyed In vehicles with a normal capacity not greater than 1 tonne and deposited In the demarcated area on the Landfill site. R0.00
 - iv. Soil, ash and sand which the Landfill Site Manager has agreed in advance Is suitable cover material, delivered in trucks of minimum 5 tonne capacity R0.00
- 2. Tariff for the voluntary weighing of vehicles (per vehicle). R37.17
 - 3. That parking of a vehicle, trailer or container be not more than 8 hours at the Curry's Post Landfill Site, or on the road reserve adjacent to the site for each 8 Hour period (per unit). R411.84
 - 4. Building Rubble: deposit payable when submitting a building plan for approval And refundable upon proof of disposal on the Landfill site. R1,384.73
 - 5. Illegal dumping: a collection and disposal fee per 1.75m3 container load for Refuse or rubble dumped on a road verge in front or next to a property. R1366.88
 - 6. Florescent tubes – complete tubes to be deposited in specialised containers Located in the recycling area. Per 250kg or part thereof. R89.15

15. Hall Hire Charges:

HOWICK WEST HALL

1. Profit-making / commercial functions such as Banquet, Theatre and the likes:

	TARIFFS
(a) MAIN HALL Charge per 5 hour session:	R 2400.00
Deposit:	R 2400.00
TOTAL	R 4800.00

	TARIFFS
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(b) Side Hall Charge per 5 hour session:	R 1200.00
Deposit:	R 1800.00
TOTAL	R 3000.00

	TARIFFS
© Main and Side Hall Charge per 5 hour session:	R 2400.00
Deposit:	R 2400.00
TOTAL:	R 4800.00

2. For activities relating to Elections:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 2400.00
Deposit:	R 2400.00
TOTAL:	R 4800.00

	TARIFFS
(b) Side Hall Charge per 5 hour session:	R 1200.00
Deposit:	R 1800.00
TOTAL	R3000.00
	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 2400.00
Deposit:	R 2400.00

TOTAL:	R 4800.00
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3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparation Time R451.98 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1200.00
Deposit:	R 1200.00
TOTAL:	R 2400.00

	TARIFFS
(b) Side Hall Charge per hour session:	R 750.00
Deposit:	R 750.00
TOTAL:	R 1500.00

	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 1800.00
Deposit:	R 1800.00
TOTAL:	R 3600.00

4. Social functions such as Weddings, Receptions, Parties, Choir performance and the likes:
Preparation Time R451.98per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1800.00
Deposit:	R 1800.00

TOTAL:	R 3600.00
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	TARIFFS
(b) Side Hall Charge per 5 hour session:	R 1300.00
Deposit:	R 1700.00
TOTAL	R 3000.00

	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 1900.00
Deposit:	R 1900.00
TOTAL:	R 3800.00

HILTON HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:
Preparation time R282.49per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1900.00
Deposit:	R 1900.00
TOTAL:	R 3800.00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R 1200.00
Deposit:	R 1900.00
TOTAL	R 3100.00

	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session	R 1200.00
Deposit:	R 1900.00
TOTAL:	R 3100.00

2. For activities relating to Elections:

	TARIFFS
(a) Main Hall	R 1800.00
Charge per 5 hour session:	R 1800.00
Deposit:	
TOTAL:	R 3600.00

	TARIFFS
(a) Verandah only	R1200.00
Charge per 5 hour session:	
Deposit:	R 1900.00
TOTAL:	R3100.00

	TARIFFS
© Main Hall and Verandah	R 2700.00
Charge per 5 hour session:	
Deposit:	R 2700.00
TOTAL:	R 5400.00

3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparations time R338.99 per session

	TARIFFS
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(a) Main Hall Charge per 5 hour session:	R700.00
Deposit:	R700.00
TOTAL:	R 1400.00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R 700.00
Deposit:	R 700.00
TOTAL:	R 1400.00

	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session:	R 1200.00
Deposit:	R 1200.00
TOTAL:	R 2400.00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R 225.99 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1800.00
Deposit:	R 1800.00
TOTAL:	R 3600.00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R 750.00
Deposit:	R 1800.00

TOTAL:	R 2300.00
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	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session:	R 1800.00
Deposit:	R 1800.00
TOTAL:	R 3600.00

MPOPHOMENI HALL AND YOUTH THEATRE

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(a) Main Hall Charge per hour session:	R 1300.00
Deposit:	R 1300.00
TOTAL:	R2600.00

2. For activities relating to elections:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R1300.00
Deposit:	R1300.00
TOTAL:	R2600.00

3. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 750.00
Deposit:	R 1300.00
TOTAL:	R 2050.00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R225.99per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1300.00
Deposit:	R 1300.00
TOTAL:	R 2600.00

HOWICK SOUTH HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(b) Main Hall Charge per 5 hour session:	R 750.00
Deposit:	R 750.00
TOTAL:	R 1500.00

2. For activities relating to Elections:
Preparation time R113.00 per session

	PROPOSED TARIFFS
(a) Main Hall Charge per 5 hour session:	R 650.00
Deposit:	R 650.00
TOTAL:	R 1300.00

3. Fundraising, sporting, religious, political and cultural, and educational functions:
Preparation time R113.00per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 650.00
Deposit:	R 650.00
TOTAL:	R1300.00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R225.99 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 650.00
Deposit:	R 650.00
TOTAL:	R 1300.00

KWA-MEVANA HALL

5. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(b) Main Hall Charge per hour session:	R 1300.00
Deposit:	R 1300.00
TOTAL:	R 2600.00

6. For activities relating to elections:

	TARIFFS
(b) Main Hall Charge per 5 hour session:	R1300.00
Deposit:	R1300.00
TOTAL:	R2600.00

7. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(b) Main Hall Charge per 5 hour session	R 750.00
Deposit:	R 1300.00
TOTAL:	R 2050.00

8. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R282.49 per session

	TARIFFS
(c) Main Hall Charge per 5 hour session:	R 1300.00
Deposit:	R 1300.00
TOTAL:	R 2600.00

LIDGETON HALL

9. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(c) Main Hall Charge per hour session:	R 1300.00
Deposit:	R 1300.00
TOTAL:	R 2600.00

10. For activities relating to elections:

	TARIFFS
(c) Main Hall Charge per 5 hour session:	R 1300.00
Deposit:	R 1300.00
TOTAL:	R 2600.00

11. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(d) Main Hall Charge per 5 hour session	R 750.00
Deposit:	R 1300.00
TOTAL:	R 2050.00

12. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes: Preparation time R282.49 per session

	TARIFFS
(d) Main Hall Charge per 5 hour session:	R 1300.00
Deposit:	R 1300.00
TOTAL:	R 2600.00

13. Fees for the use of the Dorris Robbins Room at the Howick Library:

- | | |
|---|----------------------|
| (a) Promotion of culture i.e. Book discussions, art evaluation or educational instruction | Free |
| (b) Religious services and charitable institutions | R 239.55 per session |
| (c) Commercial undertakings | R 419.22 per session |

These fees are per session. Morning session 8am to 12 noon and afternoon session 1pm to 5 pm

NOTE: (i) Functions of Provincial and National acclaimed artists are NOT covered on these tariffs as written requests will have to be made to the Municipality.

- (ii) A cancellation fee of 15% of the hire charge will be applicable should the booking be cancelled one month before the event. Should a request for cancellation be received at any time 2 weeks prior to the date of the event, the hire charge or deposit will be forfeited.

16. Animal Pound Charges

- | | |
|---|---|
| (a) Transport of animal by LDV or Truck | - R6,35 per Kilometer per animal |
| (b) Veterinary Services rendered | - Cost plus 10% |
| (c) Pound Fees/Holding Fees | - Large Animals e.g. Cattle R107.80 per day |
| | - Small Animals e.g. Sheep R71.87 per day |
| (d) Administration Fee | - R203.39 per animal |

17. uMngeni Municipality Sports Complex

Field 1

<u>Ad-hoc day Activities</u>	Deposit	=	R1920.72
	Charge	=	R 299.44
<u>Ad-hoc Night Activities</u>	Deposit	=	R1920.72
	Charge	=	R 479.10 /hr

	<u>Season Bookings Day</u>	Deposit	=	R3118.69
		Charge p/day	=	R 107.80
	<u>Season Booking Night</u>	Deposit	=	R3118.69 /Season
		Charge p/night	=	R 263.28/hr
2.	<u>Field 2</u>			
	<u>Ad – hoc Day</u>	Deposit	=	R1920.93
		Charge	=	R 107.80
	<u>Ad-hoc Night</u>	Deposit	=	R1920.93
		Charge	=	R 107.80/hr
	<u>Season Booking Day</u>	Deposit	=	R3118.69/Season
		Charge	=	R 59.89/Day
	<u>Season Booking Night</u>	Deposit	=	R3118.69/Season
		Charge	=	R 83.85/hr
3.	<u>Indoor Centre</u>			
	<u>Ad-hoc (Lights Day & Night)</u>	Deposit	=	R1920.93
		Charge	=	R 192.09/hr
	<u>Season Booking</u>	Deposit	=	R3118.69
		Charge	=	R 192.09/hr
4.	<u>Bar and Restaurant</u>			
	Electricity	=	As metered	
	Water	=	As metered	
	Lease	=	As per Bid	
	Deposit	=	R10180.94/year	
	Maintenance	=	Clean entire grand stand facility	
	Admin responsibility	=	Report to Municipality on users monthly	

5. Gym

Electricity	=	As metered
Water	=	As metered
Lease	=	As per Bid
Deposit	=	R10180.94/year
Maintenance	=	Clean entire Indoor Centre
Admin Responsibilities	=	Report to Municipality on users monthly

18. Ranking and Transport Permit Fees

1.1 Minibus Taxi

R 286.20 per annum plus R53.00 Application fee non refundable

1.2 Buses (GVM greater than 3500kg)

R159.00 per annum plus R53.00 application non refundable

1.3 Metered Taxi (Less than 5 seats)

R159.00 per annum plus R53.00 application fee non refundable

1.4 Tour and Transport Vehicles

R265.00 per annum plus R 53 application fee non refundable

1.5 Scholar Transport Vehicles

R 265.00 per annum plus R53.00 application non refundable

1.6 Lost and Renewal

50% of initial fee plus R53.00 application fee non refundable

1.7 Replacement permit R318.00

Interest on all arrear accounts will be charged at the rate of 1% per month and any part of a month shall be considered as a full month.

The date on which this notice will be first displayed on the municipal notice board is 01 July 2017.

These tariffs will come into operation on 1 July 2017.

Mr SH Buthelezi

Acting Municipal Manager,

uMngeni Municipality,

P O Box 5,

HOWICK,

3290



ASSESSMENT OF GENERAL RATES FOR 2017/ 2018

MUNICIPAL NOTICE NO:

ASSESSMENT OF GENERAL RATES FOR 2017/ 2018

Notice is hereby given in terms of Section 14 of the Local Government: Municipal Property Rates Act No 6 of 2004, that by Resolution taken the Council of uMngeni Municipality has resolved to determine the rates payable on all ratable property within the area of uMngeni Municipality for the financial year 1 July 2017 to 30 June 2018 at 1.43 cents in the rand on the market value of the property as stated in the valuation roll.

All rebates and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

General:

1. Rates will be payable monthly in twelve (12) equal installments with the first installment payable on 30 August 2017 and the last installment payable on the 31 July 2018.
2. The date on which the determination of rates came into operation is 01 July 2017.
3. Any rates remaining unpaid for a period longer than 3 months will be subject to legal action to be instituted to recover the arrear amount.
4. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
5. A collection fee of 10% will not be raised on the amount outstanding on 28 February 2018.
6. The date on which the notice was first displayed on the Municipal Notice Board is 01 July 2017.
7. This notice is also available on uMngeni Municipality's website www.umngeni.gov.za
8. Pensioner and disability rebate will be granted to qualifying persons whose income doesn't exceed R 11 500.00 per month.
9. The municipality will grant 1.5% discount on early payment to all customers.

**Mr SH Buthelezi,
ACTING MUNICIPAL MANAGER,
PO BOX 5,
HOWICK,
3290**